

---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**FINANCIAL STATEMENTS**

**MARCH 31, 2007**

---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**MARCH 31, 2007**

**CONTENTS**

	Page
AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Balance Sheet	2
Statement of Changes in Net Assets	3
Statement of Revenue, Expenditures, and Surplus	4
Statement of Changes in Financial Position	5
Notes to the Financial Statements	6, 7

**Charles A. Durocher**  
Chartered Accountant

---

**6 William Street  
Parry Sound, Ontario P2A 1V1  
Phone: 705-746-5300  
Fax: 705-746-1482**

**REVIEW ENGAGEMENT REPORT**

To the Members of  
WESTWIND FOREST STEWARDSHIP INC.

I have reviewed the balance sheet of WESTWIND FOREST STEWARDSHIP INC. as at March 31, 2007 and the statements of revenue, expenditures and surplus, changes in net assets and changes in financial position, for the year then ended. My review was made in accordance with generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the company.

A review does not constitute an audit and consequently, I do not express an audit opinion on these financial statements.

Parry Sound, Ontario  
October 5, 2007

CHARLES A. DUROCHER, C. A.  
LICENSED PUBLIC ACCOUNTANT

---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**BALANCE SHEET**

**AS AT MARCH 31, 2007**

---

<b>ASSETS</b>	<b>2007</b>	<b>2006</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 333,543	\$ 444,377
Accounts receivable (Note 3)	340,870	163,335
GST receivable	16,791	12,686
	<b>691,204</b>	620,398
<b>CAPITAL ASSETS (Note 4)</b>	<b>27,503</b>	35,723
	<b>\$ 718,707</b>	\$ 656,121

---

**LIABILITIES**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 426,152	\$ 136,549
Stewardship funds (Note 5)	13,943	12,081
Deferred contributions:		
MNR Partnership Projects (Note 6)	170,267	376,143
Ontario tree marking committee account (Note 7)	114,140	121,216
Georgian Bay Stewardship funds (Note 8)	14,316	-
Ivey Foundation funds (Note 9)	4,370	-
Conference funding accounts	3,587	(6,400)

---

	<b>746,775</b>	639,589
<b>NET ASSETS</b>		
Net assets invested in capital assets	<b>27,503</b>	35,723
Unrestricted net assets	<b>(55,571)</b>	(19,191)
	<b>(28,068)</b>	16,532
	<b>\$ 718,707</b>	\$ 656,121

---

APPROVED ON BEHALF OF THE MEMBERS:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED MARCH 31, 2007**

---

	<u>Invested in</u> <u>Capital Assets</u>	<u>Unrestricted</u>	<u>Internally</u> <u>Restricted</u>	<u>2007</u> <u>Total</u>	<u>2006</u> <u>Total</u>	
Balance beginning Of year	\$ 35,723	\$ (19,191)	\$ -	\$ <b>16,532</b>	\$ 28,350	
Excess (shortfall) of Revenue over expenses		(8,220)	(36,380)	-	<b>(44,600)</b>	(11,8
	\$ 27,503	\$ (55,571)	\$ -	\$ <b>(28,068)</b>	\$ 16,532	

---

---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**STATEMENT OF REVENUE, EXPENDITURES AND SURPLUS**

**FOR THE YEAR ENDED MARCH 31, 2007**

---

	2007	2006
<b>OPERATING REVENUE</b>		
Funding		
Renewal trust	\$ 975,552	\$ 1,244,468
Forestry futures	245,149	255,669
Other		
Levies	486,947	393,119
Services	153,788	14,062
Other	6,855	6,558
	<hr/> <b>1,868,291</b>	<hr/> 1,913,876
<b>OPERATING EXPENSES</b>		
Staff	758,113	714,160
Vehicle	85,743	101,426
Office and administration	85,492	108,918
FSC standards	36,933	14,177
Annual planning	35,088	8,919
Other expenses	106,910	-
Forestry futures	244,938	255,880
Silviculture expenses	551,454	711,754
Depreciation	8,220	10,460
	<hr/> <b>1,912,891</b>	<hr/> 1,925,694
<b>SURPLUS (DEFICIENCY) FOR THE YEAR</b>	<hr/> <b>\$ (44,600)</b>	<hr/> \$ (11,818)

---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**STATEMENT OF CHANGES IN FINANCIAL POSITION**

**FOR THE YEAR ENDED MARCH 31, 2007**

	<b>2007</b>	<b>2006</b>
<b>OPERATING ACTIVITIES</b>		
Working capital from operations		
Surplus (deficiency)	\$ (44,600)	\$ (11,818)
Add: non working capital charges (credits)		
Depreciation	<b>8,220</b>	10,460
	<b>(36,380)</b>	(1,358)
Net change in non-cash working capital		
Balances from operations*	<b>(78,041)</b>	187,435
	<b>(114,421)</b>	186,077
<b>FINANCING ACTIVITIES</b>		
Conference funding deficiency	<b>3,587</b>	(6,400)
	<b>3,587</b>	(6,400)
<b>INVESTING ACTIVITIES</b>		
Additions to capital assets	-	(3,124)
	-	(3,124)
<b>INCREASE (DECREASE) IN CASH</b>	<b>(110,834)</b>	176,553
<b>CASH, beginning of year</b>	<b>444,377</b>	267,824
<b>CASH, end of year</b>	<b>\$ 333,543</b>	\$ 444,377

\* Consisting of changes in accounts receivable, GST receivable, accounts payable and accrued liabilities and stewardship funds payable.

---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2007**

**1. NATURE OF ORGANIZATION**

The organization is a non-profit corporation that provides for the ecologically sustainable management of the French/Severn Forest. For income tax purposes the organization is classed as a non-profit organization.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) Capital Assets

Capital assets are recorded at cost. Depreciation is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Computer	- 30% declining balance
Equipment	- 20% declining balance
Vehicles	- 30% declining balance

(b) Revenue Recognition - Contributions

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable.

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consist of the following:

	2007	2006
Royal Trust - forestry futures and renewal	\$ 129,950	\$ 154,179
MNR Parry Sound	194,705	-
Others	16,215	9,156
<b>Total</b>	<b>\$ 340,870</b>	<b>\$ 163,335</b>

**4. CAPITAL ASSETS**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net 2007</u>	<u>Net 2006</u>
Computer	\$ 56,744	\$ 49,748	\$ 6,996	\$ 9,994
Equipment	59,762	39,784	19,978	24,973
Vehicles	9,180	8,651	529	756
	<b>\$ 125,686</b>	<b>\$ 98,183</b>	<b>\$ 27,503</b>	<b>\$ 35,723</b>

**5. STEWARDSHIP FUNDS**

The organization is holding funds in trust for the Parry Sound - Muskoka Stewardship Network.



---

**WESTWIND FOREST STEWARDSHIP INC.**

---

**NOTES TO THE FINANCIAL STATEMENTS**

**MARCH 31, 2007**

- 6. MNR PARTNERSHIP PROJECTS**  
Westwind has entered into an agreement with the Minister of Natural Resources for the Province of Ontario ("MNR") whereby Westwind has agreed to perform work for the MNR. At March 31, 2007 Funds in the amount of \$170,267 were on hand relating to projects to be completed in the future.
- 7. ONTARIO TREE MARKING COMMITTEE ACCOUNT**  
Westwind has entered into an agreement with the Ontario Tree Marking Committee ("OTMC") whereby Westwind has agreed to perform tree marking courses for the OTMC. At March 31, 2007 funds in the amount of \$114,140 were on hand relating to tree marking courses to be Delivered in the future.
- 8. GEORGIAN BAY STEWARDSHIP FUNDS**  
The organization is holding funds in trust for Georgian Bay Stewardships Funds.
- 9. IVEY FOUNDATION FUNDS**  
The organization is holding funds in trust for the Ivey Foundation
- 10. FOREST PRACTICES COMPETENCY PARTNERSHIP**  
Westwind has entered into an agreement with the Ontario Forest Industries Association, the Ontario Lumberman's Association and the Ontario Ministry of Natural Resources to provide for the training of Forest workers and the forest industry.  
At December 31, 2006 funds in the amount of \$77,985 were on hand relating to forest training courses to be delivered in the future.  
At March 31, 2007 a balance of \$77,679 was on hand. This balance is included in the MNR Partnership Project balance as described in Note 6.
- 11. COMMITMENT**  
The organization has entered into an office lease agreement for 1 year at an annual rental of \$26,000.