

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

Financial Statements

Year Ended June 30, 2009

(Unaudited)

CAROL PATTON
CERTIFIED GENERAL ACCOUNTANT

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

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Year Ended June 30, 2009

(Unaudited)

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CERTIFIED GENERAL ACCOUNTANT

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REVIEW ENGAGEMENT REPORT

To the Directors of Lower North Thompson Community Forest Society

I have reviewed the statement of financial position of Lower North Thompson Community Forest Society as at June 30, 2009 and the statements of operations, member's equity and cash flow for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the society.

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

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Barriere, British Columbia
September 11, 2009



Carol Patton
Certified General Accountant

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

Statement of Financial Position

June 30, 2009

(Unaudited)

	2009	2008
ASSETS		
CURRENT		
Cash	\$ 785,354	\$ 611,677
Accounts receivable	63,657	169,350
Interest receivable	284	5,458
GST recoverable	5,763	-
Prepaid expenses	936	1,491
Security deposits	150	150
	856,144	788,126
PROPERTY, PLANT AND EQUIPMENT - Note 2	2,206	1,721
	\$ 858,350	\$ 789,847
LIABILITIES AND MEMBER'S EQUITY		
CURRENT		
Bank indebtedness	\$ -	\$ 199,962
Accounts payable	120,882	139,179
Holdbacks	36,121	24,256
GST payable	-	1,064
	157,003	364,461
MEMBER'S EQUITY	701,347	425,386
	\$ 858,350	\$ 789,847

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART
OF THESE FINANCIAL STATEMENTS

CAROL PATTON
CERTIFIED GENERAL ACCOUNTANT

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

Statement of Operations

Year Ended June 30, 2009

(Unaudited)

	2009	2008
REVENUE		
Log Sales	\$ 2,232,004	\$ 2,683,241
Grants	18,133	-
Interest income	26,386	12,747
Memberships	140	-
	<u>2,276,663</u>	<u>2,695,988</u>
EXPENSES		
Advertising	568	556
Amortization	734	321
Contracting	1,406,429	954,066
Donations	-	550
Forest development costs	50,027	163,488
Freight	24	106
Insurance	7,338	6,326
Interest and bank charges	6,723	9,996
Licenses and memberships	53,116	39,750
Log Sale Costs	3,333	39,419
Logging costs	12,433	-
Meals	-	405
Office	2,680	2,944
Professional fees	3,672	5,617
Rent	3,650	2,425
Repairs and maintenance	220	-
Road Building and Maintenance	-	105,519
Silvaculture	240,059	137,786
Stumpage	80,586	426,445
Supplies	2,235	479
Telephone	1,682	633
Training	375	-
Travel	5,008	2,213
Trucking	42,074	546,068
Wages and benefits	73,409	17,743
Workers Compensation	4,327	1,476
	<u>2,000,702</u>	<u>2,464,331</u>
NET EARNINGS	\$ 275,961	\$ 231,657

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CAROL PATTON

CERTIFIED GENERAL ACCOUNTANT

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

Statement of Member's Equity

Year Ended June 30, 2009

(Unaudited)

	2009	2008
MEMBER'S EQUITY - BEGINNING OF YEAR	\$ 425,386	\$ 193,729
NET EARNINGS FOR THE YEAR	275,961	231,657
MEMBER'S EQUITY - END OF YEAR	\$ 701,347	\$ 425,386

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CAROL PATTON
CERTIFIED GENERAL ACCOUNTANT

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

Statement of Cash Flow
Year Ended June 30, 2009
(Unaudited)

	2009	2008
Cash flows from operating activities		
Cash received from sales	\$ 2,232,004	\$ 2,683,241
Cash received from Grants	18,133	-
Cash received from Grants	140	-
Cash paid for operating expenses	<u>(1,901,804)</u>	<u>(2,583,575)</u>
Cash generated through operating activities	<u>348,473</u>	<u>99,666</u>
Cash flows from financing and investing activities		
Interest received	26,386	12,747
Property, plant and equipment purchase	<u>(1,220)</u>	<u>(2,042)</u>
Cash flow from cash flows from financing and investing activities	<u>25,166</u>	<u>10,705</u>
INCREASE IN CASH FLOW	373,639	110,371
Cash - beginning of year	<u>411,715</u>	<u>301,344</u>
CASH - END OF YEAR	\$ 785,354	\$ 411,715
CASH CONSISTS OF:		
Cash	\$ 785,354	\$ 611,677
Bank indebtedness	<u>-</u>	<u>(199,962)</u>
	\$ 785,354	\$ 411,715

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LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

Notes to Financial Statements

Year Ended June 30, 2009

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Purpose of Organization

The purposes of the society are:

- (a) To create a long term sustainable plan for forest resources that benefits the people of the Lower North Thompson;
- (b) Preserve ownership of local natural resources for the people of our area, promoting self determination for the people of this valley;
- (c) To create sustainable employment, new business opportunities and investment;
- (d) To provide a new opportunity for community management of local crown land;
- (e) To provide long term opportunities for achieving a range of community objectives including:
 - (i) employment;
 - (ii) skills taining;
 - (iii) forest related education;
 - (iv) social and enviroment and economic benefits
- (f) To meet objectives of the government in respect of enviromental stewardship including the management of timber, cultural and heritage resources.

The Lower North Thompson Community Forest Society was incorporated as a Society on April 23, 2004.

REVENUE RECOGNITION

The society follows the deferal method of accounting for contributions.

2. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2009 Net book value	2008 Net book value
Computer equipment	\$ 2,286	\$ 872	\$ 1,414	\$ 1,721
Field equipment	975	183	792	-
	<u>\$ 3,261</u>	<u>\$ 1,055</u>	<u>\$ 2,206</u>	<u>\$ 1,721</u>

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

Notes to Financial Statements

Year Ended June 30, 2009

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3. SILVACULTURE LIABILITY

The silviculture liability has been calculated as follows:

	<u>2009</u>	<u>2008</u>
Timber Mark BB7001	\$ 17,087	\$ 28,152
Timber Mark BB7002	13,232	35,103
Timber Mark BB7003	17,710	7,623
Timber Mark BB7004	19,660	47,129
Timber Mark BB7005	50,125	285,155
Timber Mark BB7006	20,820	91,196
Timber Mark BB7008	83,801	79,015
Timber Mark BB7999	2,500	9,807
Timber Mark R14930	-	18,354
Timber Mark K1Z001	176,139	77,728
Timber Mark KZ002	48,759	20,139
Timber Mark K1Z0R1	-	2,009
Timber Mark K1Z004	17,670	-
Timber Mark A83263	1,000	2,046
	<u>\$ 468,503</u>	<u>\$ 703,456</u>

4. FINANCIAL INSTRUMENTS

The Lower North Thompson Community Forest Society's financial instruments consist of accounts receivable and accounts payable. The carrying values approximate their fair market value. It is management's opinion the Lower North Thompson Community Forest Society is not exposed to significant interest or credit risks arising from these financial instruments.