

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

FINANCIAL STATEMENTS

JUNE 30, 2005

(UNAUDITED)

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY  
FINANCIAL STATEMENTS

JUNE 30, 2005

(Unaudited)

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**CAROL PATTON**  
**CERTIFIED GENERAL ACCOUNTANT**

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STATEMENT 1

**REVIEW ENGAGEMENT REPORT**

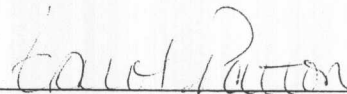
To: The Directors  
Lower North Thompson Community Forest Society

I have reviewed the statement of financial position of **LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY** as at **JUNE 30, 2005** and the statements of operations, member's equity and cash flows for the period 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 company.

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

These financial statements do not include a long-term debt note as one of the terms of the debt requires the lender and all loan details to be kept confidential.

Except for the failure to include a long-term debt note, 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.

  
\_\_\_\_\_  
Carol Patton  
Certified General Accountant

September 7, 2005

Barriere, BC

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY

## STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2005

(Unaudited)

## ASSETS

## CURRENT ASSETS

Bank  
Prepaid expenses  
GST refundable

2005

\$

99,956

1,027

4,574105,557

## LIABILITIES AND MEMBER'S EQUITY

## CURRENT LIABILITIES

Accounts payable  
Accrued interest payable

54,856

91255,768

## LONG - TERM DEBT

150,000

## MEMBER'S EQUITY

(100,211)105,557

APPROVED BY THE BOARD:

\_\_\_\_\_  
Director\_\_\_\_\_  
Director

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART  
OF THESE FINANCIAL STATEMENTS

LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY.

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED JUNE 30, 2005

(Unaudited)

	<u>2005</u>
	\$
<b>INCOME</b>	
Grant	20,000
Memberships	165
Interest	<u>15</u>
	<u>20,180</u>
<b>EXPENSES</b>	
Bank charges	20
Consulting fees	63,945
Insurance	473
Interest on long-term debt	912
Licenses	52,000
Office	35
Professional fees	3,204
Rent	<u>60</u>
	<u>120,649</u>
<b>EXCESS OF EXPENSES OVER REVENUE</b>	<u>(100,469)</u>

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LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY.

## STATEMENT OF MEMBER'S EQUITY (DEFICIT)

FOR THE YEAR ENDED JUNE 30, 2005

(Unaudited)

	<u>2005</u>
	\$
MEMBER'S EQUITY - beginning of period	258
Excess of expenses over revenue	<u>(100,469)</u>
MEMBER'S EQUITY (DEFICIT) - end of period	<u>(100,211)</u>

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LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY.STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2005

(Unaudited)

	<u>2005</u>
	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from Grants	20,000
Cash received from memberships	165
Cash paid for operating expenses	<u>(70,482)</u>
Cash Generated Through Operating Activities	<u>(50,317)</u>
<b>CASH FLOWS FROM FINANCING AND INVESTING ACTIVITIES</b>	
Interest received	15
Proceeds of long-term debt	<u>150,000</u>
	<u>150,015</u>
<b>INCREASE IN CASH</b>	99,698
<b>CASH POSITION - beginning of year</b>	<u>258</u>
<b>CASH POSITION - end of year</b>	<u><u>99,956</u></u>
<b>As Represented By:</b>	
Cash	<u><u>99,956</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART  
OF THESE FINANCIAL STATEMENTS



**LOWER NORTH THOMPSON COMMUNITY FOREST SOCIETY.**

**NOTES TO FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2005**

(Unaudited)

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Purpose of Organization:**

The purposes of the society are:

- (a) To create a long term sustainable plan for the forest resources that benefits the people of the lower North Thompson Valley;
- (b) Preserve ownership of local natural resources for the peoples 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 training;
  - (iii) forest related education;
  - (iv) social environment and economic benefits.
- (f) To meet the objectives of the government in respect of environmental 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 deferral method of accounting for contributions.