
**NOVA SCOTIA PRIMARY FOREST
PRODUCTS MARKETING BOARD
FINANCIAL STATEMENTS
MARCH 31, 2009**

CONTENTS

	Page
Auditor's Report	3
Statement of Financial Position	4
Statement of Revenues, Expenses and Fund Balance	5
Statement of Cash Flows	6
Notes to Financial Statements	7



Nova Scotia

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AUDITOR'S REPORT

To the Members of the Legislative Assembly; and

To the Minister of Natural Resources

I have audited the statement of financial position of the Nova Scotia Primary Forest Products Marketing Board as at March 31, 2009 and the statements of revenues, expenses and fund balance, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based upon my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Jacques R. Lapointe, CA
Auditor General

Halifax, Nova Scotia
June 5, 2009

Nova Scotia Primary Forest
Products Marketing Board
Statement of Financial Position
March 31, 2009

ASSETS

Current Assets

Cash	\$ 100	\$ 100
Advance on grant payment	-	65,000
Due from processors	66,696	45,095
Due from Province of Nova Scotia (Note 5)	<u>291,016</u>	<u>378,218</u>
	<u>\$ 357,812</u>	<u>\$ 488,413</u>

LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts payable	\$ 8,115	\$ 8,057
Due to bargaining agents	35,866	13,879
Due to Board members	<u>2,009</u>	<u>-</u>
	<u>45,990</u>	<u>21,936</u>

Fund Balance

	<u>311,822</u>	<u>466,477</u>
	<u>\$ 357,812</u>	<u>\$ 488,413</u>

Commitments (Note 3)

APPROVED ON BEHALF OF THE BOARD

Chair

(See accompanying notes to financial statements)

Nova Scotia Primary Forest
Products Marketing Board
Statement of Revenues, Expenses and Fund Balance
For the Year Ended March 31, 2009



	2009		2008
	Budget	Actual	Actual
Revenues			
Charges against suppliers (Note 1)	\$ -	\$ 268,436	\$ 246,964
Less: Bargaining agents funding	<u>-</u>	<u>111,907</u>	<u>102,862</u>
Charges for funding of Board operations	\$ 155,000	156,529	144,102
Interest on fund balance	<u>22,000</u>	<u>18,960</u>	<u>24,259</u>
	<u>177,000</u>	<u>175,489</u>	<u>168,361</u>
Expenses			
Grants	80,000	105,500	73,000
Salaries	58,000	64,748	62,760
Lease payments	22,800	22,101	22,101
Board member per diems	28,000	29,383	21,967
Travel	28,100	34,883	21,482
Consulting fees	20,000	59,758	10,000
Supplies and services	10,770	6,045	6,819
Legal fees	3,200	2,355	1,800
Equipment and maintenance	2,000	192	1,224
Other expenses	3700	4,172	658
Insurance	<u>-</u>	<u>1,007</u>	<u>-</u>
	<u>256,570</u>	<u>330,144</u>	<u>221,811</u>
Deficiency of revenues over expenses	<u>\$ (79,570)</u>	(154,655)	(53,450)
Fund balance, beginning of year		<u>466,477</u>	<u>519,927</u>
Fund balance, end of year		<u>\$ 311,822</u>	<u>\$ 466,477</u>

(See accompanying notes to financial statements)

Nova Scotia Primary Forest
Products Marketing Board
Statement of Cash Flows
For the Year Ended March 31, 2009

Cash provided by (used in):

Operating activities

	2009	2008
Deficiency of revenues over expenses	\$ (154,655)	\$ (53,450)
Changes in non-cash operating working capital items		
Advance on grant payments	65,000	(65,000)
Due from processors	(21,601)	(13,068)
Due from Province of Nova Scotia	87,202	130,678
Accounts payable	58	4,426
Due to bargaining agents	21,987	(3,174)
Due to Board members	<u>2,009</u>	<u>(512)</u>
	<u>154,655</u>	<u>53,350</u>
Decrease in cash	-	(100)
Cash, beginning of year	<u>100</u>	<u>200</u>
Cash, end of year	<u>\$ 100</u>	<u>\$ 100</u>

(See accompanying notes to financial statements)

1. Authority

The Nova Scotia Primary Forest Products Marketing Board was established by the Primary Forest Products Marketing Act.

The objectives of the Board are: to provide for the organization and funding of bargaining agents, to provide for the registration of bargaining agents, to provide for the resolution of bargaining disputes, to facilitate and support the continued development of the forest resources held by private woodlot owners, and to enable private woodlot owners to have a fair share of the available market and receive a reasonable return for the sale of primary forest products.

The Board imposes separate charges against producers of primary forest products for the purpose of providing funding for bargaining agents, and for funding the operations of the Board.

2. Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are the more significant accounting policies.

Revenue recognition

Revenues are recorded as earned. Revenues from processors earned and not received at year end are included in Due from processors. Interest earned on funds held by the Province of Nova Scotia but not received is included in Due from the Province of Nova Scotia.

Grants

Payments of grants are recorded as expenses by the Board when the grant recipient incurs eligible expenditures.

Capital assets

In common with many small, not-for-profit organizations, the Board charges furniture and equipment acquisitions and leasehold improvements to expenses in the year of purchase.

Financial Instruments

The Board is required to designate its financial instruments into one of the following five categories: (i) held for trading, (ii) available for sale, (iii) held to maturity, (iv) loans and receivables, or (v) other financial liabilities.

Financial instruments of the Board consist of current assets and current liabilities including cash, advances, amounts due from processors and due to bargaining agents, and payables. The Board has designated its financial instruments as held for trading due to their nature and short-term maturity. Any change in fair value of these instruments is recorded in the Statement of Revenues, Expenses and Fund Balance. The carrying value of these financial instruments reflects their fair value at March 31, 2009.

2. Accounting Policies (continued)

Financial Instruments (continued)

It is management's opinion that the Board is not exposed to significant interest, liquidity or credit risks arising from these financial instruments. Interest received from the Province on the fund balance is included in revenue.

3. Commitments

The Board remits monthly payments of \$1,728 to the Department of Transportation and Public Works for the rental of office space procured by the Department on the Board's behalf. The current lease expires November 30, 2009.

4. Pensions and Post-retirement Benefits

All full-time employees of the Board are entitled to receive pension benefits pursuant to the provisions of a pension plan established under the Public Service Superannuation Act. The plan is funded by equal employee and employer contributions. The employer's contributions are included in the Board's operating expenses. The Public Service Superannuation Fund is administered by the Government of Nova Scotia and any unfunded liability, as well as other obligations related to post-retirement benefits are the responsibility of the Province.

5. Related Party Transactions

The Board is related to other departments, agencies, commissions and boards of the Province of Nova Scotia and all expenditures are made out of the same account. Funds held by the Province on behalf of the Board are presented as a receivable in the statement of financial position.