

**S.N.B. FOREST PRODUCTS MARKETING BOARD**  
**Financial Statements**  
**Year Ended March 31, 2025**

**S.N.B. FOREST PRODUCTS MARKETING BOARD**

**Index to Financial Statements**

**Year Ended March 31, 2025**

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	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Change in Net Assets	4
Statement of Revenues and Expenditures	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10
Schedule of Government Funded Silviculture Program	11

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of S.N.B. Forest Products Marketing Board

### *Opinion*

We have audited the financial statements of S.N.B. Forest Products Marketing Board (the "Board"), which comprise the statement of financial position as at March 31, 2025, and the statements of change in net assets, revenues and expenditures, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Board in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditor's Report to the Directors of S.N.B. Forest Products Marketing Board (*continued*)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

Saint John, New Brunswick  
June 24, 2025

**S.N.B. FOREST PRODUCTS MARKETING BOARD****Statement of Financial Position****As at March 31, 2025**

	2025	2024
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 460,838	\$ -
Receivables (Note 4)	422,230	447,600
Work in progress, unbilled	1,560	12,505
Term deposits	1,118,599	900,000
Harmonized sales tax recoverable	-	19,644
Prepays	34,567	5,284
	2,037,794	1,385,033
<b>INVESTMENTS</b> (Note 5)	5	5
<b>EQUIPMENT</b> (Note 6)	2,362	3,346
	\$ 2,040,161	\$ 1,388,384
<b>CURRENT LIABILITIES</b>		
Bank indebtedness	\$ -	\$ 8,502
Payables	203,796	136,338
Harmonized sales tax payable	49,056	-
Employee deductions payable	570	640
	253,422	145,480
<b>NET ASSETS</b>		
The Forest Management Fund	732,736	540,548
Unrestricted net assets	989,003	687,356
Legal reserve	65,000	15,000
	1,786,739	1,242,904
	\$ 2,040,161	\$ 1,388,384

**APPROVED ON BEHALF OF THE BOARD**\_\_\_\_\_  
*Director*\_\_\_\_\_  
*Director*

See notes to financial statements

**S.N.B. FOREST PRODUCTS MARKETING BOARD****Statement of Change in Net Assets****Year Ended March 31, 2025**

	2025	2024
<b>FOREST MANAGEMENT FUND, BEGINNING OF YEAR</b>	<b>\$ 540,548</b>	<b>\$ 572,655</b>
Forest management levy income	585,770	446,307
Forest management other income	60,127	10,445
Forest management fund expenses	(463,709)	(537,172)
Forest management fund contribution from silviculture	-	48,313
Transfer from operating fund	10,000	-
	<b>192,188</b>	<b>(32,107)</b>
<b>FOREST MANAGEMENT FUND, END OF YEAR</b>	<b>\$ 732,736</b>	<b>\$ 540,548</b>
<b>UNRESTRICTED NET ASSETS, BEGINNING OF YEAR</b>	<b>\$ 687,356</b>	<b>\$ 687,993</b>
Receipts	15,279,035	10,291,005
Disbursements	(14,917,388)	(10,286,642)
Legal reserve transfer	(50,000)	(5,000)
Transfer to forest management fund	(10,000)	-
	<b>301,647</b>	<b>(637)</b>
<b>UNRESTRICTED NET ASSETS, END OF YEAR</b>	<b>\$ 989,003</b>	<b>\$ 687,356</b>
<b>LEGAL RESERVE, BEGINNING OF YEAR</b>	<b>\$ 15,000</b>	<b>\$ 10,000</b>
Unrestricted net assets transfer	50,000	5,000
<b>LEGAL RESERVE, END OF YEAR</b>	<b>\$ 65,000</b>	<b>\$ 15,000</b>

See notes to financial statements

**S.N.B. FOREST PRODUCTS MARKETING BOARD****Statement of Revenues and Expenditures****Year Ended March 31, 2025**

	2025	2024
Revenues		
Wood sales	\$ 12,461,191	\$ 8,707,493
Direct charge levies	311,227	185,256
	12,772,418	8,892,749
Cost of wood sales	12,268,083	8,573,182
Gross margin	504,335	319,567
Other revenues		
Forest management activities - other revenue	430,560	393,595
Forest management fund levies	585,770	446,307
Forest management fund other income	60,127	10,445
Miscellaneous	38,301	7,876
Government silviculture	1,987,070	971,800
Forest management fund contribution from silviculture	-	(48,313)
Fund administration	50,000	70,000
USD exchange	686	3,298
	3,152,514	1,855,008
Expenses		
Advertising	4,544	4,793
Amortization	1,384	2,308
Bad debts	2,455	-
Directors fees	826	1,218
Dues	635	616
Insurance	16,406	15,836
Interest and bank charges	7,592	6,325
Miscellaneous	-	100
Office	31,342	25,812
Professional fees - audit	9,500	9,500
Professional fees - legal	200	200
Rent	54,120	43,180
Repairs, maintenance and field supplies	18,883	9,761
Support services	280,357	145,800
Telephone	12,155	13,823
Travel and meals	61,118	54,575
Wages and benefits	579,308	601,836
	1,080,825	935,683
Excess of revenues over expenses before undernoted	2,576,024	1,238,892
Forest management expenses		
GNB silviculture expenses	1,568,480	777,776
Forest management fund contribution	-	(48,313)
Forest management fund expenses	463,709	537,172
	2,032,189	1,266,635
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR</b>	<b>\$ 543,835</b>	<b>\$ (27,743)</b>

See notes to financial statements

**S.N.B. FOREST PRODUCTS MARKETING BOARD****Statement of Cash Flows****Year Ended March 31, 2025**

	2025	2024
<b>OPERATING</b>		
Excess (deficiency) of revenues over expenses	\$ 543,835	\$ (27,743)
Items not affecting cash:		
Amortization	1,384	2,308
Accrued term deposit interest	(18,599)	-
	526,620	(25,435)
Changes in non-cash working capital:		
Receivables	25,370	(101,938)
Payables	67,458	22,040
Prepays	(29,283)	(3,314)
Harmonized sales tax payable	68,700	(53,088)
Employee deductions payable	(70)	152
Work in progress, unbilled	10,945	(8,485)
	143,120	(144,633)
	669,740	(170,068)
<b>INVESTING</b>		
Purchase of term deposits	(200,000)	-
Purchase of equipment	(400)	(133)
	(200,400)	(133)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>469,340</b>	<b>(170,201)</b>
<b>(DEFICIENCY) CASH, BEGINNING OF YEAR</b>	<b>(8,502)</b>	<b>161,699</b>
<b>CASH (DEFICIENCY), END OF YEAR</b>	<b>\$ 460,838</b>	<b>\$ (8,502)</b>

See notes to financial statements



# S.N.B. FOREST PRODUCTS MARKETING BOARD

## Notes to Financial Statements

Year Ended March 31, 2025

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### 1. NATURE OF OPERATIONS

The S.N.B. Forest Products Marketing Board (the "Board") is a regulatory body created under and by virtue of the Natural Products Act of the Province of New Brunswick. The Board is responsible for the development, conservation and management of forestry resources of private woodlots in southern New Brunswick. The Board is also responsible for the promotion, control, regulation and purchase and sale of southern New Brunswick's production of primary forest products on private woodlots, over which, the legislative jurisdiction of the Legislature exists, including the prohibition of such production in whole or in part. As a not-for-profit organization, it is exempt from income tax per section 149 (1)(l) of the Income Tax Act (Canada).

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of presentation*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### *Cash and cash equivalents*

Cash and cash equivalents include balances with banks, net of overdrafts and short-term investments with maturities of three months or less.

#### *Term deposits*

Term deposits, which consist primarily of commercial paper with original maturities at date of purchase beyond three months and less than twenty-four months, are carried at fair market value.

#### *Revenue recognition*

Provincial Forestry Agreement (PFA) funding revenue is recognized after the funding agreement is signed by both parties, when the measurement is certain and when collection is reasonably assured. Wood sales are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured. Direct charge levies and levy revenue in the Forest Management Fund are recognized as revenue when products are delivered, the amount to be received may be reasonably estimated and collection is reasonably assured. Interest income is recognized on an accrual basis. Miscellaneous income includes interest income earned on term deposits.

#### *Equipment*

Equipment is recorded at cost. Amortization is provided for on a declining balance basis at the following rates:

Office equipment	20%
Computer hardware	50%

In the year of acquisition, equipment is amortized using one-half of the above noted rates. No provision for amortization is made in the year of disposal. Upon disposal, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is included in income.

#### *Fund accounting*

The accounts of the Board are maintained in accordance with the principles of fund accounting whereby accounting resources are classified into funds established according to their nature and purpose. Restrictions on the use of these funds may be established externally by the contributors or internally by the Board of Directors.

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# S.N.B. FOREST PRODUCTS MARKETING BOARD

## Notes to Financial Statements

Year Ended March 31, 2025

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

The Unrestricted Net Assets Fund is used for the general operations of the Board.

The Forest Management Fund (the "Management Fund") was established in 1982 and operates under a Policies and Procedures Manual as approved by the Board of Directors. Levies for the Management Fund are direct contributions from woodlot owners. These contributions are deducted from the price of wood delivered to the mills. Disbursements from the Management Fund are made for specific forest improvement activities on private woodlots.

The Legal Reserve Fund was established in 2022 and represents amounts internally restricted by the Board to provide a source of funding for non-routine legal that may arise in the future. Contributions to the fund are determined by the Board annually.

#### *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures during the reporting period. Estimates are used for, but not limited to, determination of fair values, allowance for doubtful accounts, accruals and amortization. Actual results could differ from those estimates.

#### *Foreign exchange*

Financial asset and financial liability accounts in U.S. dollars are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. All realized and unrealized gains or losses are included in income. During the year, the Board recorded a foreign exchange gain of \$686 (2024 - \$3,298).

#### *Financial instruments*

##### *Measurement of financial instruments*

The Board initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

##### *Subsequent measurement*

The Board subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, receivables and term deposits.

Financial liabilities measured at amortized cost include payables, harmonized sales tax payable and employee deductions payable.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income.

##### *Transaction costs*

The Board's transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. The carrying amount of the financial instruments that will not be subsequently measured at fair value is adjusted for transaction costs directly attributable to the origination, issuance or assumption of these instruments.

# S.N.B. FOREST PRODUCTS MARKETING BOARD

## Notes to Financial Statements

Year Ended March 31, 2025

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### 3. FINANCIAL RISKS

The Board has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The risks that arise from transacting financial instruments include credit risk, concentration of credit risk, liquidity risk, currency risk, market risk, interest rate risk and commodity price risk.

#### *Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Board's main credit risk relates to its receivables. The Board provides credit to its clients in the normal course of operations.

#### *Concentration of credit risk*

Concentration of credit risk arises when there is a group of customers having a similar characteristic such that their ability to meet their obligations is expected to be affected similarly by changes in economic or other conditions. For the Board, significant concentrations of credit risk are related to the forestry industry as the majority of its customers are involved in that industry.

#### *Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Board is exposed to this risk mainly in respect of its payables, employee deductions payable and harmonized sales tax payable.

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's activities result in exposure to fluctuations in foreign currency exchange. The Company maintains a US bank account with a current balance of \$8 (2024 - \$77) which will be settled in US currency.

#### *Market risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Board is mainly exposed to interest rate risk and commodity price risk.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is exposed to interest rate risk on its term deposits, investment in Class A shares of Brunswick Credit Union and operating line of credit.

#### *Commodity price risk*

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Board's activities result in exposure to fluctuations in the market prices of wood products.

Unless otherwise noted, it is management's opinion that the Board is not exposed to significant other price risks arising from these financial instruments.

**S.N.B. FOREST PRODUCTS MARKETING BOARD****Notes to Financial Statements****Year Ended March 31, 2025****4. RECEIVABLES**

	2025	2024
Accounts receivable	\$ 419,163	\$ 332,096
Accrued receivables	3,067	115,504
	<b>\$ 422,230</b>	<b>\$ 447,600</b>

**5. INVESTMENTS**

	2025	2024
Shares - Brunswick Credit Union	\$ 5	\$ 5

The shares of Brunswick Credit Union are recorded at cost as they are not quoted in an active market.

**6. EQUIPMENT**

	Cost	Accumulated Amortization	2025 Net Book Value	2024 Net Book Value
Office equipment	\$ 11,553	\$ 10,228	\$ 1,325	\$ 2,050
Computer hardware	1,800	763	1,037	1,296
	<b>\$ 13,353</b>	<b>\$ 10,991</b>	<b>\$ 2,362</b>	<b>\$ 3,346</b>

**7. OPERATING LINE OF CREDIT**

The Board has an operating line of credit of \$150,000 (2024 - \$150,000) of which all was unused at year end. The facility bears interest at the Brunswick Credit Union prime rate plus 0.75%. The operating line is secured by a \$200,000 term deposit.

**8. FUND ADMINISTRATION**

The Board's primary functions are general operations and forest management. There are operating costs involved for each activity and each year the general operating expenses are budgeted and allocated to the General Fund based on the type of transaction group using a weighted average, specific transaction or 100% allocation method.

**9. ECONOMIC RELATIONSHIP**

The Board derived its revenue for wood sales from one customer who accounts for approximately 79% of the wood sales in the current year (2024 - 80%). The Board receives funding from one government agency who accounted for approximately 76% of the remaining receipts (2024 - 63%).

**10. COMMITMENTS**

Future minimum payments relating to a leased premise total \$50,400 annually. This lease is effective from April 1, 2025 to March 31, 2026.

**S.N.B. FOREST PRODUCTS MARKETING BOARD**  
**Schedule of Government Funded Silviculture Program**  
**Year Ended March 31, 2025**

**Schedule 1**

	2025	2024
<b>Revenues</b>		
Department of natural resources	\$ 1,987,070	\$ 971,916
Woodlot owners contributions	72,976	17,341
Forest management fund contributions	111,135	96,932
	<b>\$ 2,171,181</b>	<b>\$ 1,086,189</b>
<b>Expenses</b>		
Pre-commercial thinning	\$ 682,385	\$ 313,108
Plantation cleaning	285,822	199,472
Site prep	162,978	85,020
Herbicide	55,084	61,872
Planting	327,436	184,488
Seedlings	117,793	6,664
Management plans	97,246	43,277
Alternative harvesting activities	146,040	36,177
Program administration by board	296,397	147,412
Two billion trees	-	8,699
	<b>\$ 2,171,181</b>	<b>\$ 1,086,189</b>

See notes to financial statements