



Sunshine Coast Community Forest

operated by Sechelt Community Projects Inc.

Building Value for our Community

2013 ANNUAL REPORT

MESSAGE FROM THE CHAIR

Glen Bonderud, Chair & President

When we look back on 2013 we are thankful for a successful year as the log and lumber markets around the world continued to strengthen with the housing markets in the USA, China and Japan recovering. We now have solid markets and the results speak for themselves.

For 2013 our contributions to the community included \$22,000 to the Sunshine Coast Trails Society, the regular dividend of \$25,890 to the District of Sechelt and an extraordinary dividend of \$200,000 to fund the creation of Sechelt Innovations Ltd. In late 2013 the SCCF presented to the District of Sechelt a proposal for a legacy fund for capital projects on the lower coast that would benefit the community. This fund would receive money from a portion of the profits above the needed working capital of the community forest. We are pleased the Council agreed with our proposal and they have formalized the fund via a bylaw. Based on the profits made in 2013 we will be giving an extraordinary dividend of \$500,000 to the District of Sechelt to establish the SCCF Legacy Fund and for Sechelt Innovations Ltd.

Looking forward, the strength of the US, Chinese and Japanese economies will hopefully let us operate at a profitable level for the foreseeable future and continue our contributions to the Legacy Fund. We depend on world markets as our logs are consumed mainly by mills servicing these export markets. The key lumber volume markets are China and USA. This past year over 1.4 billion dollars of lumber was exported to China, an all time record that translates to more jobs in the industry. Japan and Korea continue to buy logs and lumber to add to our export volumes. Lumber exports to the USA in 2013 will come close to 2.5 billion dollars, by far BC's largest market in volume and value.

We are not an isolated community. Our jobs depend on economic activity in all sectors of our society and around the world and if we are to see our coast become vibrant and successful we need all jobs in all areas.

OPERATIONS REPORT

Dave Lasser, RPF - Operations Manager

2013 was a very busy year for the SCCF. Starting in January, we began sorting in Howe Sound the wood harvested from EW011 and we began harvesting EW002. EW002 harvesting was completed in May. The financial returns from these two blocks was very significant to the SCCF in 2013.

In February, Glynnis Horel, P.Eng and her team (Denny Maynard, P.Geo. and Alan Chapman, P.Geo.) began their work to do a very comprehensive review of the Chapman and Gray Creek watersheds. The report is available on our website. The work on the Chapman Gray watersheds was undertaken by the SCCF as a result of this work not being included in the SCRD's Source Assessment Response Plan report which was completed in September 2012. I believe the team's work is the most comprehensive review ever done on the watersheds and has brought a great deal of information to the community that hasn't been available before.

In April, the SCCF applied to Victoria to have Hidden Grove, which is within the SCCF tenure area, be amended into the Sechelt Heritage Forest which has Sec. 56 status as a Recreation Site under the Forest and Range Practices Act. Victoria has accepted the application and it is in the final stages of approval. The SCCF will continue to work with the Sechelt Groves Society to improve the recreational and educational experience at Hidden Grove.

I would like to thank all of our contractors and the many local businesses that we work with and rely on to be able to run our business successfully.

MISSION STATEMENT

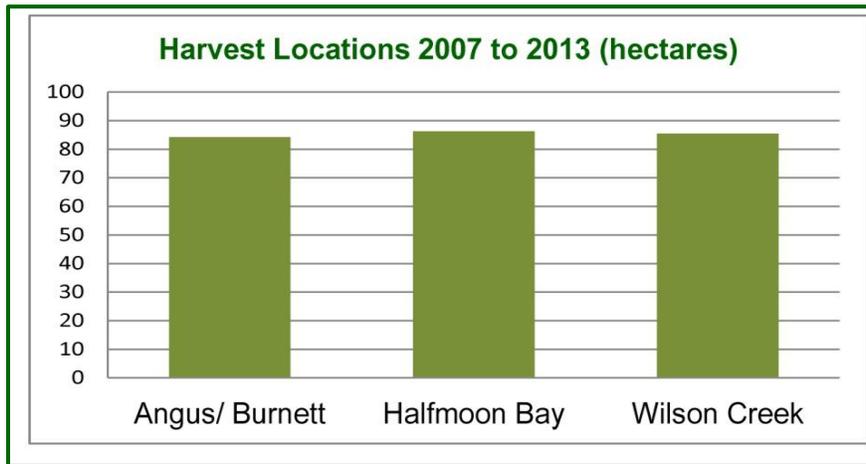
Creating a legacy for our citizens by being exceptional stewards of our forest while balancing environmental, economic and social aspirations of the community.

SCCF HOSTS MOBILE DEVICE WORKSHOP

In November SCCF played host to a workshop which taught how smart phones and tablets can be used in the field to optimize data gathering. The workshop was led by Andy Muma and Lisa Moore of the Ministry of Forests, Lands and Natural Resource Operations. Funding was made available through the BC Community Forest Association and the Land Based Investment Program. Workshop participants, including police officers, fire fighters, search and rescue personnel and municipal workers from the entire coast, were shown how georeferencing can be utilized and connected to data entered into handheld devices for instant locational links and information transfer to other parties. There are many apps available for mobile devices which can make data gathering and sharing so much easier and faster than relying on hardwired personal computers and/or paper.

ACHIEVEMENTS	2013	2012	2011	2010	2009
Harvest volume (m3)	18,818	18,701	5,376	26,239	23,273
Sales (m3):					
- To local mills	253	386	149	984	1,489
- To HSPP	0	2,722	752	2,652	3,740
- Within Canada (BC)	13,726	13,468	3,573	21,136	15,881
- For Export outside Canada	4,839	2,125	902	1,467	2,163
Seedlings planted	33,835	34,100	35,890	31,545	8,360
Roads built (km)	1.231	2.720	0	2.144	1.600
Revenues	\$2.13M	\$1.59M	\$0.55M	\$1.87M	\$1.87M
Dollars invested in our community	\$1.3M	\$1.1M	\$0.46M	\$1.7M	\$1.7M
Profits earned / (lost)	\$660,858	\$226,321	(\$169,913)	\$151,538	\$84,692
Dividends paid	\$225,890	\$25,890	\$0	\$25,890	\$25,890

We balance our harvest activities between our three distinct tenure areas.



VOLUME OF SPECIES HARVESTED

	2013	2012	2011	2010	2009	Total
Douglas Fir	62.2%	51.2%	72.1%	52.5%	57.2%	56.6%
Hemlock	23.7%	27.0%	19.4%	24.8%	21.6%	24.0%
Western Red Cedar	13.7%	16.3%	8.2%	21.2%	20.7%	17.7%
Alder	0.2%	4.4%	0.3%	0.7%	0.4%	1.3%
White Pine	0.1%	0.6%	0.0%	0.3%	0.0%	0.2%
Other	0.1%	0.5%	0.0%	0.5%	0.0%	0.3%
Total Volume (m3)	18,818	18,700	5,396	25,560	20,938	

Other includes Balsam, Maple, Lodgepole Pine, Spruce

WILD RHODODENDRONS

In the fall a project by the Sechelt Groves Society saw wild rhododendron plants relocated from the Community Forest location on Elphinstone to Hidden Grove. These seedlings were removed from Elphinstone, with permission from the Community Forest, and planted into specific locations within Hidden Grove under the guidance of Harry Hill and Ron Knight of the Sunshine Coast Botanical Garden Society. The plants are just babies now but in about three years they should be fully developed, flowering and adding spring colour to Hidden Grove.

COMMUNITY FOREST DOLLARS AT WORK

In 2013 SCCF proudly sponsored:

Sunshine Coast Trails Society • Suncoast Woodcrafters Guild - annual toy program • Tetrahedron Outdoor Club - Banff Film Festival • Salmonid Enhancement Society • Sunshine Coast Food Bank • Sunshine Coast Lions Club • Rotary Club of Sechelt

COMMUNITY FOREST GIVES BACK



Sunshine Coast Trails Strategy

April 2014



In January the Community Forest provided a \$22,000 grant to the Sunshine Coast Trails Society (SCTS) to aid in the creation of a Sunshine Coast Trails Strategy. This comprehensive document would act as a guide in the planning, development and management of a sustainable trail network throughout the Lower Sunshine Coast.

We see the Trails Society initiative to expand and improve trail signage as a vital step towards inspiring and enabling more Sunshine Coasters to take advantage of the splendid outdoor opportunities that exist here. Many people however, especially those new to outdoor activities, are uncomfortable walking, hiking or riding on unmarked trails. In other words, for them, 'if you build it they will come' does not apply. Better maps and signage are an important requirement for removing, or at least reducing, anxieties about being in the 'woods'. We also note that this initiative represents an active commitment by the Trails Society to implement one of the key recommendations of its recently completed Sunshine Coast Trails Strategy.

The Sunshine Coast Trail Strategy can be found on the SCTS website at www.sctrails.ca.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying summarized consolidated financial statements, which comprise the summarized consolidated statement of financial position as at December 31, 2013, and the summarized consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended are derived from the audited consolidated financial statements of Sechelt Community Projects Inc. as at December 31, 2013. We expressed an unmodified opinion on those consolidated financial statements in our report dated March 11, 2014.

The summarized consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summarized consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of Sechelt Community Projects Inc.

Management's Responsibility for the Summarized Consolidated Financial Statements

Management is responsible for the preparation of a summary of the audited consolidated financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the summarized financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, Engagements to Report on Summary Financial Statements.

Opinion

In our opinion, the summarized consolidated financial statements derived from the audited consolidated financial statements of Sechelt Community Projects Inc. for the year ended December 31, 2013 are a fair summary of those consolidated financial statements.

March 11, 2014
Vancouver, BC

Chartered Accountants
Crowe MacKay LLP

BOARD OF DIRECTORS - 2013-2014

Glen Bonderud, Chair & President ♦ Tim Anderson, Vice Chair
Stan Anderson, Dale Eichar, Cam Forrester, Tony Greenfield,
Peter Moonen, Tom Pinfold, Elise Rudland

Visit our website to learn about our new
Legacy Fund - www.sccf.ca/legacy-fund.

SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

A full copy of our audited financial statements is available on our website - www.sccf.ca

Summarized Consolidated Statements of Comprehensive Income

for the year ended December 31,	2013	2012
Revenues	\$2,134,536	\$1,590,272
Cost of Sales	1,106,976	1,016,592
Gross Margin	1,027,560	573,680
Other Income	11,457	11,092
	1,039,017	584,772
Expenses	378,343	358,321
Income Tax (Recovery)	(184)	130
Comprehensive Income	\$660,858	\$226,321

Summarized Consolidated Statement of Changes in Equity

	Share Capital	Contributed Surplus	Retained Earnings	Total
As at December 31, 2011	\$172,600	\$49,770	\$387,788	\$610,158
Comprehensive Income for the year			226,321	226,321
Dividends			(25,890)	(25,890)
As at December 31, 2012	172,600	49,770	588,219	810,589
Comprehensive Income for the year			660,858	660,858
Dividends			(225,890)	(225,890)
As at December 31, 2013	\$172,600	\$49,770	\$1,023,187	\$1,245,557

Summarized Consolidated Statements of Financial Position

	December 31 2013	December 31 2012
Assets		
Cash	\$1,147,375	\$476,862
Other current assets	365,391	493,259
Property and Equipment	214,493	228,676
	\$1,727,259	\$1,198,797
Liabilities	\$481,702	\$388,208
Shareholder's Equity		
Share Capital	172,600	172,600
Contributed Surplus	49,770	49,770
Retained Earnings	1,023,187	588,219
	1,245,557	810,589
	\$1,727,259	\$1,198,797

Summarized Consolidated Statements of Cash Flows

for the year ended December 31,	2013	2012
Cash provided by (used for):		
Operating Activities	\$896,403	(\$11,781)
Financing Activities	(225,890)	0
Investing Activities	0	262,656
Net Increase in Cash	670,513	250,875
Cash at beginning of year	476,862	225,987
Cash at end of year	\$1,147,375	\$476,862

Contact Information

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