



SUNSHINE COAST COMMUNITY FOREST

ANNUAL REPORT 2015



MESSAGE FROM THE CHAIR

Glen Bonderud, Chair & President

Looking back at 2015 our financial performance was very good, however, please note the profitability was an increase in volume and not an increase in prices. With the world financial and economic markets in disarray the Chinese market declined in 2015 while the US housing market was strong. As a result of the US market strength Cedar prices were good and Fir prices were steady; but due to the slowdown in China we see Hembal prices at approximately the same price as in 2006, absolutely no improvement over the past nine years.

I would like to mention the role of our directors. Much has been said about our role in the community, however, little has been said about the time, effort and concern the directors feel for our lower coast community. The fiduciary duty of appointed SCPI directors is a legal obligation to protect the assets and shareholder value, using common sense and due diligence in making decisions affecting the viability and future health of said organization. Our directors are chosen for a mix of skills, from professional accreditations to community involvement. I would like to thank all our directors for their time, commitment and concerns for our community. Our management of Dave Lasser and Linda Harris are the keys to an efficient and successful organization who go well beyond the job description in their endeavours. One example is the Wood Expo we held, solely due to Ms. Harris' efforts and organizational skills. We continue to work with the Sechelt Indian Band in their traditional territory and look forward to future co-operation and co-ordination with them.

To the District of Sechelt, Mayors and Councils present and past, our thanks for the foresight in establishing the Community Forest Legacy Fund. In the past three years we have contributed \$1,200,000 dollars to this fund for capital projects to benefit the overall community.

OPERATIONS MANAGER'S REPORT

Dave Lasser, RPF

2015 was a very sad year for the Community Forest. On Sunday July 5th we lost a good friend when John Phare lost his life in a tragic accident while falling danger trees in the Old Sechelt Mine Fire. John was a valued contractor of all the forest companies that do business on the Sunshine Coast and he is sorely missed by all of us. Our thoughts continue to be with him, his family and his crew.

December 2015 marked the end of a 5 year cut control period for the Community Forest. During that 5 year period we were expected to achieve 100% of our allowable cut of 100,000 m³ (20,000 m³ per year) and we were able to achieve that goal. John and his company, John Phare Contracting, had harvested 90% of the Community Forest volume over the last 5 year period (2011 to 2015).

The forest fire caused considerable damage to a portion of the Community Forest tenure. Approximately 115 hectares were burned in the Community Forest out of the total of 423 hectares. We are planning to salvage as much useable timber as we can from the burned area. Trees showing burn damage are worth less than normal timber. The Community Forest had hoped to have the salvage of burned or dead timber completed and re-planted by April 2016. We are working with the Sechelt Band to try and get this work done as soon as possible.

There are some significant forest health and public safety issues within the fire area. The public safety concern is that the forest fire was predominantly a ground fire which resulted in significant damage to the root structure of the standing timber. Standing timber began to fall over within 2 or 3 days of the start of the fire, and it has continued to occur with each windstorm through the fall and winter. There is a significant safety risk to the public as a result of this damage. The public should avoid walking and hiking in the fire areas until the salvage is completed. The forest health issue is that there is significant risk of a Douglas Fir Bark Beetle infestation in the fire area. Salvaging should reduce this risk.

2015 was the most profitable year in the 10 year history of the Community Forest. A new trail was built (New Frogger) in 2015 through Block HM48 in Halfmoon Bay which will be used in the 2016 BC Bike Race. A considerable amount of time was spent in 2015 planning new initiatives involving forest recreation, trails, non-timber forest products, frog habitat, etc. which will begin in 2016.

New Frogger Trail

Kris Sneddon, Mountain Bike Champion

The Sunshine Coast Community Forest is rebuilding trails within their cut-blocks. The trail "Frogger" was originally built in 2002 by a group of local mountain bikers. It eventually became the key segment of trail that linked the lower West Sechelt trails to the higher trail loop of the trails "BRAT" and "Over Easy". This popular trail was used by mountain bikers, dirt bikers, hikers, mushroom pickers and hunters. BC Bike Race used Frogger for the first three years of their epic 7 day stage race. As well, the area is home to elk, deer, bear, wolves, eagles, and ravens.



All that changed in 2012 when the SCCF proposed a cutblock (HM48) that could impact the trail. Recognizing this impact, Dave Lasser, Operations Manager of SCCF, said that they would rebuild it and give back a trail that was better in location, longer, easier to climb, and useable for all types of recreation. The SCCF had two volunteer trail builders to design and layout the trail. Rod Camposano is a well-known trail builder and course designer of the BC Bike Race (Days 3 and 4) and Warren Hansen, a local Professional Forester, worked together to locate and design the trail. The trail was GPS'd and mapped and Warren actually measured the trail gradients to make sure it would not be too steep. The SCCF applied for and received Section 57 status from the Ministry of Forests, Lands and Natural Resource Operations. Frogger is designed as a climbing trail, but can be ridden both ways. SCCF made the trail about twice as long as it originally was, from 1km to 2km, and eliminated a nasty fire road climb. It is a gradual climbing, machine built trail comprised of local mineral soil that trail builders call "gold". This year, two different mountain bike races will be using Frogger ~ The Sunshine Coaster and BC Bike Race. Between the two events there will be 700 to 800 riders using the trail.

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,	2015	2014
Revenues	\$3,009,713	\$2,951,199
Cost of Sales	1,735,610	1,966,286
Gross Margin	1,274,103	984,913
Other Income	16,408	11,622
	1,290,511	996,535
Expenses	424,091	290,118
Income Tax (Recovery)	(80)	(82)
Comprehensive Income	\$866,500	\$706,499

Summarized Consolidated Statement of Changes in Equity

	Share Capital	Contributed Surplus	Retained Earnings	Total
As at December 31, 2013	\$172,600	\$49,770	1,023,187	\$1,245,557
Comprehensive Income for the year			706,499	706,499
Dividends			(525,890)	(525,890)
As at December 31, 2014	172,600	49,770	1,203,796	1,426,166
Comprehensive Income for the year			866,500	866,500
Dividends			(525,890)	(525,890)
As at December 31, 2015	\$172,600	\$49,770	\$1,544,406	\$1,766,776

Summarized Consolidated Statements of Financial Position

	December 31 2015	December 31 2014
Assets		
Cash	\$1,951,113	\$1,613,892
Other current assets	371,233	263,680
Property and Equipment	4,839	6,048
	\$2,327,185	\$1,883,620
Liabilities	\$560,409	\$457,454
Shareholder's Equity		
Share Capital	172,600	172,600
Contributed Surplus	49,770	49,770
Retained Earnings	1,544,406	1,203,796
	1,766,776	1,426,166
	\$2,327,185	\$1,883,620

Summarized Consolidated Statements of Cash Flows

for the year ended December 31,	2015	2014
Cash provided by (used for):		
Operating Activities	\$863,111	\$992,407
Financing Activities	(525,890)	(525,890)
Investing Activities	0	0
Net Increase in Cash	337,221	466,517
Cash at beginning of year	1,613,892	1,147,375
Cash at end of year	\$1,951,113	\$1,613,892

COMMUNITY DOLLARS AT WORK

In 2015 SCCF proudly sponsored:

BC Bike Race - Trail Construction
 BC Lions Club
 Canada Day Loggers Sports Show
 Rotary Club of Sechelt
 Sechelt Arts Festival - The Story of Cedar
 Salmonid Enhancement Society
 Suncoast Woodcraft Guild - annual toy & gift program
 Sunshine Coast Botanical Gardens
 Tetrahedron Outdoor Club - Banff Film Festival



ACHIEVEMENTS

	2015	2014	2013	2012	2011
Harvest volume (m3)	32,519	30,169	18,818	18,701	5,376
Sales (m3):					
- To local independent mills	612	169	253	386	149
- To Howe Sound Pulp & Paper	3,051	1,951	0	2,722	752
- Within Canada (BC)	26,697	24,362	13,726	13,468	3,573
- For Export outside Canada	2,159	3,687	4,839	2,125	902
Seedlings planted	13,440	43,020	33,835	34,100	35,890
Revenues	\$2.80M	\$2.95M	\$2.13M	\$1.59M	\$0.55M
Dollars invested in our community	\$2.3M	\$1.8M	\$1.3M	\$1.1M	\$0.46M
Profits earned / (lost)	\$869,575	\$706,499	\$660,858	\$226,321	(\$169,913)
Dividends paid to Shareholder	\$525,890	\$525,890	\$225,890	\$25,890	\$0

John Phare 1954 - 2015

We miss you, friend.

New Frogger Trail cont'd

Through the progressive actions and leadership taken by SCCF, activities like rebuilding Frogger is a great way of building trust between forest licensees and the local community. It's a good example of sharing our forest and getting a win/win outcome. Frogger is located in West Sechelt and within the SCCF cutblock HM48. It is the preferred way to climb up to the top of Halfmoon Peak and the BRAT trail. Frogger has panoramic views of snowcapped mountains that feed the headwaters of Salmon and Narrows Inlets. Thanks to SCCF for getting the approvals, rebuilding a great trail and leaving a legacy for generations to enjoy.

Location of Frogger can be found on the Trail Forks website • www.trailforks.com/trails/new-frogger

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.

Building Value for our Community

During 2015 the District of Sechelt approved over \$353,000 in grants to the community through the SCCF Legacy Fund.

Completed Projects:



\$25,000 was provided for the sculpting of the Residential School Monument erected at the shíshálh Nation offices

\$40,000 went into the renovation project for the Pender Harbour Legion kitchen

\$6,400 allowed for the construction of a wheel chair accessible ramp to the bridge over the pond at the Sunshine Coast Botanical Gardens

Projects in Progress

- \$35,812 was utilized by the Pender Harbour Advisory Council to create and install signs throughout trails in Pender Harbour and Egmont
- \$51,000 was given to the Sunshine Coast Arts Council for renovation of the Art Gallery
- \$75,000 was provided to the Davis Bay Wilson Creek Selma Park Community Association for upgrades to three heritages buildings
- \$25,000 granted to Sunshine Coast Museum & Archives to improve wheelchair accessibility



Projects Not Yet Started

- \$30,000 given to the West Sechelt Elementary Playground Enhancement Committee to add a net climber to the playground
- \$65,000 put into a holding fund for Sunshine Coast Community Services Society to create a community kitchen

Each and every project will enhance the community greatly and the Community Forest is proud to be part of a program that improves quality of life for residents and visitors alike.

Retiring Director

We bid a fond farewell this year to Stan Anderson who has been a director of the Community Forest since 2010. A lifetime of living on the Sunshine Coast has given him an in depth knowledge of the lower coast through his careers in logging and real estate development. His frank, honest opinions and approach to issues has helped the board make decision on many topics. We want to thank Stan for his commitment and dedication with the hope he will continue to be part of our community in his future endeavours. Stan, please accept our best wishes and thank you from all the board and staff.

Contact Information

P.O. Box 215 | Unit C - 5588 Inlet Avenue
Sechelt, BC V0N 3A0
Phone: (604) 885-7809
E-mail: info1@sccf.ca | Web: www.sccf.ca

BOARD OF DIRECTORS 2015-2016

Glen Bonderud - Chair & President
Tom Pinfold - Vice Chair
Stan Anderson Tim Anderson Bob D'Arcy
Fidel Fogarty Brian Fournier
Tony Greenfield Peter Moonen