



SUNSHINE COAST COMMUNITY FOREST

ANNUAL REPORT 2016



MESSAGE FROM THE CHAIR

Glen Bonderud, Chair & President

2016 was a quiet year at the community forest. Only a small amount of harvesting was completed, finishing that which was started the previous year. Most of the year was spent planning for 2017 and beyond.

Throughout the year we waited for the necessary approvals to begin the harvesting and rehabilitation of the 2015 Mine Site fire area. Those approvals finally came through in late fall and operations commenced just as the year was ending.

Several studies continued through the year which will be used as planning tools for future operations. The Sechelt fire in 2015 gave us a unique opportunity to study mycological growth patterns after a forest fire. Data for this study is still being collected but the initial findings are included in the Forest Mycology report found on our website. Other ongoing studies include a timber supply review and a water monitoring program in Wilson Creek.

In April we were able to give an extraordinary dividend of \$200,000 to the District of Sechelt for the Sunshine Coast Community Forest Legacy Fund. This brings our total dividends provided since 2013 to \$1,400,000. Over the past three years \$588,805 has been granted from the Legacy Fund for many projects which benefit the Sunshine Coast. We are also very pleased to be able to contribute \$350,000 to the District of Sechelt for their future projects.

As we look forward to the future years we will be returning to our regular quality of logs in all three of our tenure areas. Each area is harvested on a rotational basis, once every three years. With the housing market in the USA expected to continue in a brisk manner, China growing, and Japan steady, our future years are expected to be profitable which will allow us to continue paying dividends to the District of Sechelt for the Sunshine Coast Legacy Fund.

BOARD OF DIRECTORS 2016-2017

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

COMMUNITY DOLLARS AT WORK

In 2016 SCCF proudly sponsored:

Sunshine Coast Minor Hockey Association
Sunshine Coast Botanical Garden Society
Sunshine Coast United Mountain Bikers
Salmonid Enhancement Society
Sunshine Coast Trails Society
Suncoast Woodcrafters Guild
Tetrahedron Outdoor Club
Rotary Club of Sechelt
BC Lions Club

OPERATIONS MANAGER'S REPORT

Dave Lasser, RPF

2016 was a slow year for timber harvesting in the Community Forest. We were able to complete the final volume (about 40% of our annual cut) that was still under contract to John Phare's company. That work was completed using John's crew in late 2015 and early 2016. The major harvesting plan for 2016 was to salvage the fire damaged timber from the Sechelt Fire within the Community Forest area. We had planned to begin the salvage in the fall of 2015, immediately after the fire, and complete it in the spring of 2016 in time for planting.

This work was delayed for almost a year by a number of government related issues. In that one year of delay, a number of forest insect pests, namely grubs and ambrosia beetles, entered the fire area and impacted the dead standing and fallen timber. The grubs attacked the cedar first, in the spring of 2016, and then attacked the hemlock and fir in varying degrees.

The harvesting commenced in December and will be completed in the spring of 2017. The insect damage will impact some of our log sales by reducing the number of potential buyers and prices. Fortunately, log prices going into 2017 are quite good and we will be seeking out some new and niche markets to improve our financial performance as we bring that wood to market.

The Community Forest completed its first fertilizer project in November of 2016 in the Burnett Creek area. We are planning to do additional areas every year going forward if the funding is available. We are focusing on stands of appropriate species and site quality that will respond the best to the fertilizer.

We are completing a road deactivation plan on a large number of roads in the Community Forest tenure. In most cases we will deactivate the roads from a road width to a trail width so they are still available for recreational use. We will also continue to work with the Sunshine Coast Trails Society and its members on a number of recreational initiatives in 2017.

ROOSEVELT ELK IN OUR FORESTS

Tom Pinfold, Director

The Community Forest, like the rest of the forested land on the Sunshine Coast, hosts a variety of wildlife species including grizzly bears, black bears, black-tail deer, cougars, coyotes, wolves, and the largest herbivore on the Coast, the Roosevelt Elk. Although most people are aware of Roosevelt Elk, they are not nearly as pervasive as the Coast's friendly deer and tend to shy away from the more settled urban fringes of the Coast's forested land. Still they are an important part of the forest eco-system.

A Managed Species

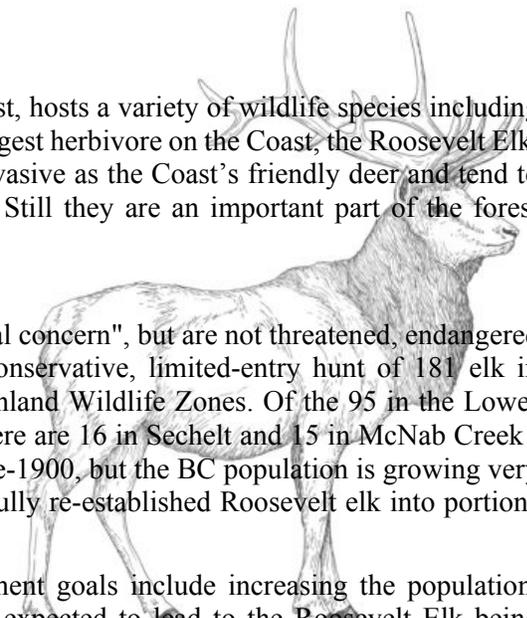
Roosevelt elk are on the Provincial Blue List, meaning that they are of "special concern", but are not threatened, endangered or extirpated. To support the position they are not threatened, there is a conservative, limited-entry hunt of 181 elk in Vancouver Island Wildlife Management Zones and 95 elk in the Lower Mainland Wildlife Zones. Of the 95 in the Lower Mainland, 79 are located in the Powell River Forest District and of the 79, there are 16 in Sechelt and 15 in McNab Creek / Rainy River. Their global distribution is smaller and more fragmented than pre-1900, but the BC population is growing very rapidly, particularly in the South Coast Region. Translocations have successfully re-established Roosevelt elk into portions of their historic range.

The Ministry of Forests, Lands and Natural Resource Operations' management goals include increasing the population, expanding its distribution and mitigating threats. Success on these goals is expected to lead to the Roosevelt Elk being removed from the Provincial Blue List between now and 2025. The Roosevelt Elk is a popular hunting target attracting about 15,000 applications from resident hunters for approximately 300 Limited Entry Hunting permits, and high demand for guided hunts that provide a high return to guide-outfitters; First Nations typically harvest up to 50% of the annual allowable harvest of Roosevelt elk in BC.

The main elements of the elk management strategy for the Sunshine Coast include a population inventory every 1-2 years, active management of consumptive uses, herd translocation and directly reducing elk access to key areas such as highways or agricultural operations.

Eating Habits

Roosevelt elk are herbivores and browse or graze on a wide variety of shrubs, grasses, sedges and trees, depending on availability. They target their habitat use in forested habitats, particularly along forest edges, riparian areas and recently burned forest stands or clearcuts. They tend to prefer habitat that can provide both abundant food and dense cover in close proximity.



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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,	2016	2015
Revenues	\$1,061,528	\$3,009,713
Cost of Sales	729,720	1,735,610
Gross Margin	331,808	1,274,103
Other Income	23,545	16,408
	355,353	1,290,511
Expenses	358,997	424,091
Income Tax (Recovery)	0	(80)
Comprehensive Income	(\$3,644)	\$866,500

Summarized Consolidated Statement of Changes in Equity

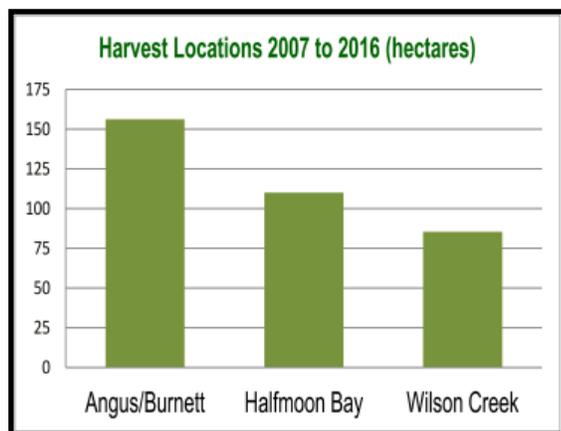
	Share Capital	Contributed Surplus	Retained Earnings	Total
As at December 31, 2014	\$172,600	\$49,770	1,203,796	\$1,426,166
Comprehensive Income for the year			866,500	866,500
Dividends			(525,890)	(525,890)
As at December 31, 2015	172,600	49,770	1,544,406	1,766,776
Comprehensive Income for the year			(3,644)	(3,644)
Dividends			(225,890)	(225,890)
As at December 31, 2016	\$172,600	\$49,770	\$1,314,872	\$1,537,242

Summarized Consolidated Statements of Financial Position

	December 31 2016	December 31 2015
Assets		
Cash	\$1,796,306	\$1,951,113
Other current assets	186,922	371,233
Property and Equipment	3,871	4,839
	\$1,987,099	\$2,327,185
Liabilities	\$449,857	\$560,409
Shareholder's Equity		
Share Capital	172,600	172,600
Contributed Surplus	49,770	49,770
Retained Earnings	1,314,872	1,544,406
	1,537,242	1,766,776
	\$1,987,099	\$2,327,185

Summarized Consolidated Statements of Cash Flows

for the year ended December 31,	2016	2015
Cash provided by (used for):		
Operating Activities	\$71,083	\$863,111
Financing Activities (Dividends Paid)	(225,890)	(525,890)
Investing Activities	0	0
Net Increase in Cash	(154,807)	337,221
Cash at beginning of year	1,951,113	1,613,892
Cash at end of year	\$1,796,306	\$1,951,113



MISSION

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



ACHIEVEMENTS

	2016	2015	2014	2013	2012
Harvest volume (m3)	7,107	32,519	30,169	18,818	18,701
Sales (m3):					
- To local independent mills	148	612	169	253	386
- To Howe Sound Pulp & Paper	502	3,051	1,951	0	2,722
- Within Canada (BC)	5,283	26,697	24,362	13,726	13,468
- For Export outside Canada	1,174	2,159	3,687	4,839	2,125
Seedlings planted	51,840	13,440	43,020	33,835	34,100
Revenues	\$1.06M	\$3.01M	\$2.95M	\$2.13M	\$1.59M
Dollars invested in our community	\$0.9M	\$2.3M	\$1.8M	\$1.3M	\$1.1M
Profits earned / (lost)	(\$3,644)	\$866,500	\$706,499	\$660,858	\$226,321
Dividends paid	\$225,890	\$525,890	\$525,890	\$225,890	\$25,890

LEGACY FUND BUILDS VALUE FOR OUR COMMUNITY

During 2016 the District of Sechelt approved over \$70,000 in grants to the community through the SCCF Legacy Fund. These grants were distributed to the Gibsons Curling Rink for their new ice plant which was installed in the summer, the Sunshine Coast Army Cadets to construction classrooms within their outdoor training facility, and to the Roberts Creek Community Association for replacement of the floor in the community hall. On October 1 the Sunshine Coast Museum & Archives in Gibsons celebrated the grand reopening of their newly renovated facility. The renovations included accessibility improvements for those with mobility challenges which was partially funded through a grant from the Legacy Fund in 2015. Another 2015 grant recipient was the Davis Bay - Wilson Creek - Selma Park Community Association who completed some upgrades to their three heritage buildings in Davis Bay in 2016. The Music Hall was given a proper foundation, the Daycare Centre a new basement floor and a new porch was built on the Main Hall.

OUR FIRST NEW FOREST

Linda Harris, Jamie Killackey, RFT

Our first born is all grown up now.

It started as an idea in 2005. The Provincial Government had offered an area based tenure to local governments on the Sunshine Coast. The District of Sechelt agreed to participate and the Sunshine Coast Community Forest was created. In 2007 the first block was harvested at the east of Trout Lake. Block WS043 is now free growing (not impeded by competition from plants, shrubs or other trees) and on its way to becoming a mature forest.



Block WS043 is 28.5 hectares in size and encompasses 22.0 ha of immature forest, 5.0 ha of mature retention areas and 1.4 ha of road structures. The area harvested in the summer of 2007 retained veteran old-growth Douglas fir and western red cedar throughout. The dispersed retention trees and the mature retention areas contribute to a range of structural diversity, forest cover and wildlife habitat in the area. In April 2008 the harvested area was planted with over 24,000 fir and cedar seedlings, which is approximately 1,100 seedlings per hectare. It was monitored closely over the years and in 2016 a survey was conducted which showed the block to be fully stocked according to government

standards. In fact, there are currently over 2,700 trees per hectare of fir, cedar, hemlock and alder in Block WS043, the majority of which are 4-6m tall. The young forest is productive, healthy and diverse. Shrubs and herbs provide forage for small and large mammals and the planted Douglas fir are well used by birds for nesting. The roads within the block are well used for recreation, providing access to the numerous mountain bike trails in the area.

At this stage the area is difficult to walk through due to the density of trees and the vigorous undergrowth of ferns, salmonberry, blackberry and red huckleberry. As this new forest progresses through its life cycles and the healthier, dominant trees prevail, those who visit this site in 40 years and explore all it has to offer won't necessarily know it was ever logged.

ROOSEVELT ELK IN OUR FORESTS cont'd

Forestry Concerns

The relationship between Roosevelt elk and active forestry is complex. Forest harvesting can increase the abundance of suitable forage for elk until a forest overstory is re-established, but then poor forage conditions can persist for decades. In general, Elk behaviours such as browsing and trampling young trees, and rubbing against saplings may result in a variety of short and long-term costs for forestry. This has not been a major issue for the Community Forest although it is standard practice to protect newly planted seedlings from browsing by deer and rabbits as well as elk.

Elk transplants

The available evidence suggests that Roosevelt elk were widely distributed throughout the south coast of BC but were largely extirpated from the region by the 1880s as a result of an expanding human population and market hunting. Expanding populations on Vancouver Island created the basis for re-establishing elk populations along the south coast.

Transplants of Roosevelt elk to the Sechelt Peninsula from Vancouver Island started in 1987 when the first seven animals arrived, then six in 1988, finishing with 11 in 1989, for a total of 24 transplants. The Sechelt Peninsula proved to be an especially suitable habitat and the population grew rapidly. Transplants from the Sechelt Peninsula to other locations across the South Coast began in 1996 when 20 elk were relocated to Powell River. The Sechelt Peninsula has been the source for a total of 454 transplants between 1996 and 2016. In their new locations, these 454 transplanted elk have grown and been transplanted to many more new areas and, as of 2015, have grown to an estimated population of 1570 elk on the South Coast/Lower Mainland. The estimated carrying capacity for the Sechelt Peninsula is 333 animals with a target population of 200.

The current population is estimated (2015) to be 200 animals, so given the apparent fecundity of the herd, transplants from the Sechelt peninsula will continue to be an integral part of Roosevelt Elk management on the Sunshine Coast.

Contact Information

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