



# SUNSHINE COAST COMMUNITY FOREST

## ANNUAL REPORT 2017



### MISSION

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

### MESSAGE FROM THE CHAIR

*Glen Bonderud, Chair & President*

When I look back over the past year, our Community Forest has been able to recover very well in our operations after a hiatus in 2016. Our involvement with various community groups has continued and we look forward to the coming years.

The early part of the year saw the salvaging of timber from the Sechelt Fire of 2015. The results were much better than estimated due to the high quality of the timber and an improved log market. Financially, this will allow us to give an extraordinary dividend to our shareholder, the District of Sechelt, for the SCCF Legacy Fund. Over the past few years approximately \$650,000 has been awarded to community groups with projects benefitting the public. **This year the extraordinary dividend of \$750,000, the largest ever, is to be given to the Shareholder for the Community Forest Legacy Fund.** Over the coming years it is our intention to continue contributing to this fund in as steady a manner possible depending on markets values.

For the future years, success of the BC forest industry will depend on the world lumber markets and specifically the USA housing market; how the US economy goes so we go. Right now, the outlook is favourable in all our larger lumber markets; US, China, Japan and even South Korea. The BC forest industry sells to all four markets, mainly lumber and some logs. Aside from the economic risk there is some very real political and tariff risk with current events in the US and we must wait to see the outcome of the various negotiations with the trade departments.

2018 is a big year for change of the management of the Community Forest. 2017-2018 is my last term as Chair and President of the company. During my eight years I have seen the organization grow to a solid company providing consistent employment to members of the community and good returns-on-investment to the Shareholder. One of my most fulfilling achievements is to have been involved in the creation of the SCCF Legacy Fund.

Also leaving this term are Brian Fournier, Bob D'Arcy and Tom Pinfeld. Brian is an active forester (RPF) working for a major company and is also an entrepreneur in a local business. Bob, an active member of the Sechelt community and Chair of our Legacy Fund Committee, has relocated to the cold climes of Alberta. Tom, a long-time member of the Rotary Club, outdoor enthusiast and Vice-Chair of the Board has also chosen to step down. I would like to take this opportunity to thank all the gentlemen for their very solid contributions and wish them well in the coming years.

I would like to say a special thank you to Dave Lasser and Linda Harris who are in the office. Linda, after seven years, will be leaving us to begin a life of semi-retirement. Dave has guided the operation through tough years and good years and we thank him for his guidance and expertise.

## **OPERATIONS REPORT**

*Dave Lasser, RPF, Operations Manager*

2017 was a year that started with a significant amount of financial uncertainty as we began the salvage harvesting of our portion of the 2015 Sechelt Fire area (130 of 428 hectares). The uncertainty was due to our not knowing how significant the fire damage and the post fire insect damage was to the dead and dying standing timber in the salvage area. Log markets traditionally don't place a normal market value on fire and insect damaged logs.

Our initial budgeting for the project showed a financial loss of approximately \$380,000. There were many factors that went into this calculation. The fire had damaged a broad cross-section of forested areas; some were very young plantations, some were very poor quality stands with little marketable timber, some were typical stands we would normally harvest and a small area contained higher value timber. The fire was a hot ground fire that burned off 6 to 18 inches of the organic and duff layers down to mineral soil or bedrock. We also knew that we wouldn't be removing any pulp logs as pulp mills view any burned logs as 'contaminated' and would refuse to buy them.

Fortunately, a strong log market and a shortage of available logs in the winter, combined with our contractors doing a good job of manufacturing our logs, our many long-term customers who were loyal to us and the skill of our log broker, resulted in our obtaining virtually full market price with no discounts due to fire damage.

Another positive note in 2017 was the construction of a new Wormy Lake trail and wetland boardwalk. The Community Forest guaranteed the money to build the trail and, as a result, the Trails Society was able to receive an almost matching Canada 150 grant. The Sechelt Rotary Club made a major donation as well to complete the funding for the project. Our thanks to Kris Sneddon, his crew and other volunteers for doing such a great job on the trail build, the short hand-split cedar plank bridges along the trail, and the beautiful 160 meter long boardwalk of hand-split cedar planks.

We have plans for more new trails in the Community Forest which will increase the forest recreation experience for the public in the Community Forest.

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## **LIFE GROWS ON - A Study of Post Harvest Growth**

*Tony Greenfield, Director*

In 2012 the Sunshine Coast Community Forest logged Block EW002 in the East Wilson Creek portion of their forest tenure. Since then SCCF has been monitoring the ingress of the flora and fauna establishing within the logged area. The opening was also planted with Douglas fir and western red cedar seedlings in 2013.

Opponents of logging generally claim that the removal of the timber creates a non-productive wasteland for some unspecified long period of time, in contrast to the high biodiversity of the standing timber. The evidence is to the contrary.

The temperate rainforest of coastal BC, and the Sunshine Coast in particular, are testament to the incredible prolificacy of this ecosystem. The combination of warm summers, mild winters, abundant precipitation, low elevation, and favourable soils, combine to nurture our famously productive forests. This applies not only to the size, quality and species of our commercial timber but extends to the entire range of components that constitute a temperate rainforest. It is amazing how fast areas that are disturbed by logging or forest fire regenerate to a jungle of complex vegetation. Anyone interested in this phenomenon would do well to study the regeneration of the Old Mine Fire, site of the forest fire in West Sechelt in 2015.

The SCCF study of EW002 has involved recording the presence of botanical species within the clearcut. Many species appeared in 2014, two years after the logging, and the species diversity has increased every year since, though at a slower rate than after the first flush of regrowth.

To date the following have been recorded within EW002:

- ✘ Ferns - 6 species including Lady Fern & Fragile Fern
- ✘ Shrubs - 15 species including Red Elderberry, Red-flowering Currant & Black Twinberry
- ✘ Deciduous trees - 9 species including Pacific Dogwood, Cascara & Mountain Ash
- ✘ Coniferous trees - 7 species including White & Lodgepole Pine, Sitka Spruce & Yew
- ✘ Wildflowers - numerous species including American Brooklime & Vari-leaved Collomia
- ✘ Miscellaneous species such as Skunk Cabbage, cattails & horsetails
- ✘ Various other introduced & weedy species such as buddleia, thistles & mullein

Grasses, mosses & fungi were not recorded for this study.

The many plant species that now inhabit the opening produce forage, fruit, seeds, pollen and nectar, a food source for large and small mammals (including elk, deer and bear), a wide variety of birds (including hummingbirds, olive-sided flycatcher, house wren and white-crowned sparrow), butterflies, dragonflies and other insects, amphibians and reptiles.

To further enhance the biodiversity of EW002, SCCF has worked with the Sunshine Coast Wildlife Project to provide an engineered frog breeding pond in a naturally occurring wetland.

Maintaining and enhancing the biodiversity values within the 10,700 hectares of its tenure is a major objective of the Sunshine Coast Community Forest.

## SUMMARIZED CONSOLIDATED FINANCIAL STATEMENTS

A full copy of our audited financial statements is available on our website ([www.sccf.ca](http://www.sccf.ca)).

### Summarized Consolidated Statements of Comprehensive Income

for the year ended December 31,	2017	2016
Revenues	\$3,370,763	\$1,061,528
Cost of Sales	2,321,220	729,720
Gross Margin	1,049,543	331,808
Other Income	24,280	23,545
	1,073,823	355,353
Expenses	419,130	358,997
Income Tax (Recovery)	4	0
<b>Comprehensive Income</b>	<b>\$654,689</b>	<b>(\$3,644)</b>

### Summarized Consolidated Statement of Changes in Equity

	Share Capital	Contributed Surplus	Retained Earnings	Total
<b>As at December 31, 2015</b>	\$172,600	\$49,770	1,544,406	\$1,766,776
Comprehensive Income for the year			(3,644)	(3,644)
Dividends			(225,890)	(225,890)
<b>As at December 31, 2016</b>	172,600	49,770	1,314,872	1,537,242
Comprehensive Income for the year			654,689	654,689
Dividends			(125,890)	(125,890)
<b>As at December 31, 2017</b>	<b>\$172,600</b>	<b>\$49,770</b>	<b>\$1,843,671</b>	<b>\$2,066,041</b>

### Summarized Consolidated Statements of Financial Position

	December 31 2017	December 31 2016
<b>Assets</b>		
Cash	\$2,451,393	\$1,796,306
Other current assets	140,751	186,922
Property and Equipment	3,097	3,871
	\$2,595,241	\$1,987,099
<b>Liabilities</b>	\$529,200	\$449,857
<b>Shareholder's Equity</b>		
Share Capital	172,600	172,600
Contributed Surplus	49,770	49,770
Retained Earnings	1,843,671	1,314,872
	2,066,041	1,537,242
	\$2,595,241	\$1,987,099

### Summarized Consolidated Statements of Cash Flows

for the year ended December 31,	2017	2016
Cash provided by (used for):		
Operating Activities	\$780,977	\$71,083
Financing Activities (Dividends Paid)	(125,890)	(225,890)
Investing Activities	0	0
<b>Net Increase in Cash</b>	<b>655,087</b>	<b>(154,807)</b>
Cash at beginning of year	1,796,306	1,951,113
<b>Cash at end of year</b>	<b>\$2,451,393</b>	<b>\$1,796,306</b>

## SCCF LEGACY FUND

Linda Harris, Administrator

In 2015 the SCCF Legacy Fund Assessment Committee and the District of Sechelt awarded \$30,000 to the West Sechelt Playground Enhancement Committee (WSPEC) to assist in creating a natural outdoor playground at West Sechelt Elementary School. In 2017, after many frustrating delays, the project was finally completed and opened for all to enjoy. A report from the WSPEC states "There have been many compliments on the finished product and the school district is now pointing to our natural playground as an example for other schools to follow." Since opening in April 2017 the playground is well used by the school children at recess and lunch and also by many others during non-school hours.

Also completed in 2017 was the installation of a new floor in the Roberts Creek Community Hall.

The Sechelt Community School Society received a grant in 2017 to install solar panels that will generate the power necessary to run a community greenhouse at Davis Bay Elementary.



Other 2017 grant recipients include the Gibsons Wildlife Rehabilitation Centre, the Davis Bay - Wilson Creek - Selma Park Community Association and the Sunshine Coast Natural History Society. All of their projects are on-going.

### BOARD OF DIRECTORS 2017-2018

Glen Bonderud - Chair & President

Tom Pinfold - Vice Chair

Tim Anderson / Bob D'Arcy / Geoff Craig

Fidel Fogarty / Brian Fournier

Tony Greenfield / Peter Moonen

## ACHIEVEMENTS

	2017	2016	2015	2014	2013
Harvest volume (m3)	29,541	7,107	32,519	30,169	18,818
Sales (m3):					
- To local independent mills	94	148	612	169	253
- To Howe Sound Pulp & Paper	0	502	3,051	1,951	0
- Within Canada (BC)	24,248	5,283	26,697	24,362	13,726
- For Export outside Canada	5,199	1,174	2,159	3,687	4,839
Seedlings planted	47,710	51,840	13,440	43,020	33,835
Revenues	\$3.37M	\$1.06M	\$3.01M	\$2.95M	\$2.13M
Dollars invested in our community	\$2.3M	\$0.9M	\$2.3M	\$1.8M	\$1.3M
Profits earned / (lost)	\$654,689	(\$3,644)	\$866,500	\$706,499	\$660,858
Dividends paid	\$125,890	\$225,890	\$525,890	\$525,890	\$225,890

## COMMUNITY DOLLARS AT WORK

In 2017 SCCF proudly sponsored:

Rotary Club of Sechelt  
Salmonid Enhancement Society  
Sechelt Groves Society  
Sunshine Coast Food Bank  
Sunshine Coast United Mountain Bikers  
Sunshine Coast Trails Society  
Suncoast Woodcrafters Guild  
Tetrahedron Outdoor Club



## SANTA'S HELPERS

Every year several members of the Suncoast Woodcrafters Guild take the time to create toys and other gifts for the Sunshine Coast Community Services North Pole Project. The North Pole project collects clothing, toys and other items to be distributed at Christmas to families in need. For over 10 years the Woodcrafters Guild has been supplying these beautiful hand crafted items and for many of those years the Community Forest has been a proud sponsor, along with Lehigh Materials and the SCRCD. Our sincere gratitude to the men and women of the guild who participate in this project year after year helping to bring a little more joy to families at Christmas time.

## CUTTING FIREWOOD

*Linda Harris, Administrator*

At the end of every harvest activity undertaken by the Community Forest, firewood permits are made available to the public free of charge. Since 2011 we have given almost 1000 permits to over 450 people on the Sunshine Coast. We also sell some of the non-marketable logs to local firewood vendors. Occasionally, the Ministry of Forests provides firewood permits through their website and through Service BC.

These are the legal methods for obtaining firewood to heat your home.

Then there are those who ignore the law and go into the forest to cut down living trees, choosing many which have purposely been left standing for any number of retention reasons. Some of this cutting happens in the middle of the night and quite often very poor practices are employed to cut the trees.

Falling trees is a very dangerous activity which should only be undertaken by trained professionals. Stay safe and contact the Community Forest to inquire about our firewood permit program.



## BC BIKE RACE

BC Bike Race is a seven-day mountain bike stage race from the trail Mecca of North Vancouver and the Sunshine Coast to its conclusion in Squamish, along the way taking in four beautiful BC Ferries trips. Frogger, in Halfmoon Bay, was a featured trail in the 2017 BC Bike Race and the only one of the week that was a climbing trail. The key aspects that make this trail worth bringing attention to are the views it gets of Halfmoon Bay and the dynamics of a growing positive partnership with the Sunshine Coast Community Forest managers. When the Old Frogger trail was logged a few years ago locals did a walk of the freshly logged area. They asked if it would be possible to run the trail to the top instead of leaving the finishing climb on road. The Community Forest manager agreed and even put money behind the project. The result is a new climbing trail that will have a long life and is a benchmark in the level of the club and the land manager's partnership. The 2018 race is already sold out, but you can visit [www.bcbikerace.com](http://www.bcbikerace.com) to get on a waiting list or to learn more about the race.

## WOOD EXPO

The 2017 Wood Expo was the most successful to date. There were 23 extremely talented exhibitors showing products ranging from historical logging cartoons to live-edge tables; from hand crafted wooden spoons to 400 pound chainsaw sculptures. The event brought 1300 visitors from all over the Sunshine Coast and even a few from the lower mainland. Come out and see what new products show up at the 2018 event.

### Contact Information

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**September 15, 2018  
Seaside Centre  
Sechelt  
10 am to 5 pm**