



# SUNSHINE COAST COMMUNITY FOREST

## ANNUAL REPORT 2018



Harvested 2018



Harvested 2009 - Free Growing 2018

### 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

*Geoff Craig, Chair & President*

I am pleased to provide my first message as chair of the Sunshine Coast Community Forest. I was appointed in July of last year, following in the competent footsteps of our long serving previous chair Glen Bonderud. I have enjoyed learning more about our operations.

2018 was a record year in terms of revenue, though not that far ahead of the prior year, also a record. We received strong prices for our logs over the last two years but the market has softened recently. I must note that in the past two years we harvested over our 20,000 cubic metre average and will, therefore, be harvesting less than that amount over the next two years. We expect 2019 and 2020 to be less profitable.

Our board of directors has declared an extraordinary dividend of \$600,000 for the Legacy Fund this year in addition to the regular dividend of \$25,890. The extraordinary dividend is the second highest ever and reflects our plan to declare an extraordinary dividend next year even if our profits are lower.

During the summer and fall of 2018 we participated with our shareholder, the District of Sechelt, in a community engagement process. This involved information booths at public events, 4 World Cafes at the Seaside Centre and an online poll. In addition, the Community Forest commissioned a 500 person telephone poll of Sunshine Coast residents. Of the many things we've learned in this process, the key one is that lots of people are still unaware of the Community Forest and what we do. We hope to improve the public's knowledge of our organization. One of the steps we are taking is to revamp our website which will include the ability for users to sign up for updates when available. The results of our telephone poll are available on our website [www.sccf.ca](http://www.sccf.ca). The online poll and other results are on the District of Sechelt's website ([www.sechelt.ca](http://www.sechelt.ca)).

Our harvesting operations were disrupted by a court injunction filed by a few local residents. Although the injunction was lifted and we won the subsequent court action, the legal bills incurred were over \$85,000. This is money that could have gone to our Legacy Fund or to other community projects. I want you to know that when we harvested the contentious Block EW28 we left about 25% of it intact as wildlife retention area, far more than the 7-8% we are required to leave under the Forest and Range Practices Act.

Several of our volunteer directors left us last year and deserve our appreciation. Glen Bonderud and Tom Pinfold, our former chair and vice chair, served our board commendably for many years. Brian Fournier, Tim Anderson, Fidel Fogarty, Bob D'Arcy and Mike Paddison also deserve our thanks for their guidance. I would like to offer a special thanks to our operations manager Dave Lasser for his depth of experience in this complex industry and to Linda Harris our top notch administrator who came back to us, at least temporarily, when we needed her.

## OPERATIONS REPORT

Dave Lasser, RPF, Operations Manager

As mentioned in the Message from the Chair, 2018 was a record year financially for the Community Forest. Our profits from harvesting were significantly better than any previous year in the history of the Community Forest. Due to circumstances beyond our control, we were obligated to harvest a third block in Wilson Creek that was originally planned for 2020. This helped to drive our profits over the top.

We were involved in other activities in 2018 in addition to our harvesting. Forest recreation is an important part of the day to day life in the Community Forest. In 2017, we helped the Sunshine Coast Trails Society construct a new three kilometer long family hiking trail around Phare Lake (formerly Wormy Lake) which included a hand-split cedar plank boardwalk across a wetland. To further the same project, we added four beautiful cedar benches around the lake in 2018 which were made by West Coast Log Homes. Airspan Helicopters kindly donated helicopter time to airlift two of the benches into their final locations. We will be creating another major trail in 2019.

The provincial government announced in 2018 that it was going to make significant legislative changes affecting the forest sector. It was labelled as the "Coast Forest Sector Revitalization Initiative" and the changes will be implemented over the next two years. The net effect will increase our costs and reduce our revenues.

2018 was another record year for forest fires in BC. The northern Interior of BC was particularly hard hit and the lower coast of BC and Vancouver Island both had significantly more fires than normal. In Sechelt, we had about four continuous weeks of extreme (Danger Class 5) fire hazard in August of 2018. That is the longest continuous period I've experienced in my career on the coast. Combined with our local water restrictions, we were poised for a disaster had a forest fire started locally. In 2018 the Community Forest started planning for a significant community awareness plan about the urban interface between homes and the forests surrounding them. The community meetings will start in June of 2019. Watch for announcements and meeting locations in local media.

A real negative in our community is the amount of tree cutting that is being undertaken by illegal firewood cutters. Hundreds of Douglas fir trees are being felled in the forests around Sechelt using extremely dangerous falling practices and without any precautions for fire prevention during fire season. These people are putting the public's safety at risk and our homes and community at risk with their illegal actions. If you see people cutting down trees for firewood, please contact the Ministry of Forests (1-604-485-0700), the Conservation Officer Reporting line (1-877-952-7277) or the Community Forest at 604-885-7809.

## 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,	2018	2017
Revenues	\$3,647,458	\$3,370,763
Cost of Sales	1,922,014	2,321,220
Gross Margin	1,725,444	1,049,543
Other Income	31,450	24,280
	1,756,894	1,073,823
Expenses	532,231	419,130
Income Tax (Recovery)	0	4
<b>Comprehensive Income</b>	<b>\$1,224,663</b>	<b>\$654,689</b>

### Summarized Consolidated Statement of Changes in Equity

	Share Capital	Contributed Surplus	Retained Earnings	Total
<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>	172,600	49,770	1,843,671	2,066,041
Comprehensive Income for the year			1,224,663	1,224,663
Dividends			(775,890)	(775,890)
<b>As at December 31, 2018</b>	<b>\$172,600</b>	<b>\$49,770</b>	<b>\$2,292,444</b>	<b>\$2,514,814</b>

### Summarized Consolidated Statements of Financial Position

	December 31 2018	December 31 2017
<b>Assets</b>		
Cash	\$2,885,320	\$2,451,393
Other current assets	99,552	140,751
Property and Equipment	2,477	3,097
	\$2,987,349	\$2,595,241
<b>Liabilities</b>	\$472,535	\$529,200
<b>Shareholder's Equity</b>		
Share Capital	172,600	172,600
Contributed Surplus	49,770	49,770
Retained Earnings	2,292,444	1,843,671
	2,514,814	2,066,041
	\$2,987,349	\$2,595,241

### Summarized Consolidated Statements of Cash Flows

for the year ended December 31,	2018	2017
Cash provided by (used for):		
Operating Activities	\$1,209,817	\$780,977
Financing Activities (Dividends Paid)	(775,890)	(125,890)
Investing Activities	0	0
<b>Net Increase in Cash</b>	<b>433,927</b>	<b>655,087</b>
Cash at beginning of year	2,451,393	1,796,306
<b>Cash at end of year</b>	<b>\$2,885,320</b>	<b>\$2,451,393</b>

## 2019 EVENTS

June 10	Urban Interface Fire Prevention Chatelech Secondary Theatre 7:00 pm
July 1	Visit our booth at Hackett Park after the Canada Day parade
September 14	Wood Expo Seaside Centre 10 am to 5 pm

## SCCF LEGACY FUND

Linda Harris, Administrator

Since its inception over one million dollars has been distributed to a variety of projects on the Sunshine Coast through the SCCF Legacy Fund. As the name implies, these monies have enabled 25 organizations to upgrade and improve their facilities for use by community members for years to come.

Grants from the Legacy Fund allowed the Sunshine Coast Botanical Garden to create significant improvements to their visitors' experiences. The bridge and boardwalk in the Native Plant Garden Wetland area is a much-loved feature in The Garden. Each spring The Garden welcomes several classes from local elementary schools to learn about pond life. The pond is teeming with amphibian eggs and water bugs. The bridge offers a perfect viewing spot for eggs, growing tadpoles and salamanders and offers a wonderful learning space for pond dipping and insect identification. The bridge is also a favourite spot for photos. Most recently, Legacy Fund support is being used to build a Learning Centre in the developing Mountainside Habitat area, the fourth phase of the Native Plant Garden. Its completion is expected in summer 2019.



Sunshine Coast Museum & Archives received a grant in 2015 which, when added to other received grants and some of their own savings, enabled upgrades to the accessibility of the exhibits, including an elevator, as well as other improvements. The renovated museum was reopened to the public in the summer of 2016 and staff have noticed a definite increase of patrons with mobility issues and parents with strollers. Matthew Lovegrove, Manager/Curator, says the museum feels more modern and more welcoming now and noted that 2017 was their busiest year ever. Did improving the accessibility help make that possible? Most likely.

New classroom space and improved storage facilities were the result of a grant to the Sunshine Coast Army Cadets. They had been managing with one classroom and very little organized storage space for many years. They put one handyman and several volunteers to work to renovate their facilities so they now have a more functional environment with four separate learning areas and more adequate storage rooms. It was a very small grant compared to the others we have distributed but it made an enormous difference to a very under funded group of children.



In 2018 the Legacy Fund Assessment Committee approved four grant applications dispersing the monies provided to the Shareholder in 2017 from the 2016 profits:

- Gibsons Heritage Playhouse ☞ Lighting Upgrade ☞ \$21,292
- Serendipity Daycare, Madeira Park ☞ Revitalization ☞ \$7,000
- Sunshine Coast Botanical Garden, Sechelt ☞ Mountainside Habitat ☞ \$22,400
- SC Search and Rescue, Sechelt ☞ Hall Expansion ☞ \$50,000

In January 2019 the Committee approved seven grant applications dispersing the monies provided to the Shareholder in 2018 from the 2017 profits:

- Gibsons Marine Rescue Society ☞ Boat House ☞ \$80,000
- Nicholas Sonntag Marine Education Centre, Gibsons ☞ Solar Array ☞ \$35,000
- Sechelt Seniors Activity Centre ☞ Renovation/ Expansion ☞ \$100,000
- Siyiyaya Reconciliation Movement, Sechelt ☞ Totem Carving ☞ \$10,000
- Sunshine Coast Baseball Association, Gibsons ☞ Batting Cage ☞ \$20,000
- Sunshine Coast Fastball League, Sechelt ☞ Hackett Park Safety Upgrades ☞ \$50,000
- Sunshine Coast Salmonid Enhancement Society, Sechelt ☞ Hydrologic Assessment ☞ \$30,500

## ACHIEVEMENTS

	2018	2017	2016	2015	2014
Harvest volume (m3)	28,303	29,541	7,107	32,519	30,169
Sales (m3):					
- To local independent mills	1,055	94	148	612	169
- To Howe Sound Pulp & Paper	3,203	0	502	3,051	1,951
- Within Canada (BC)	22,371	24,248	5,283	26,697	24,362
- For Export outside Canada	1,674	5,199	1,174	2,159	3,687
Seedlings planted	55,520	47,710	51,840	13,440	43,020
Revenues	\$3.65M	\$3.37M	\$1.06M	\$3.01M	\$2.95M
Dollars invested in our community	\$2.8M	\$2.3M	\$0.9M	\$2.3M	\$1.8M
Profits earned / (lost)	\$1,224,663	\$654,689	(\$3,644)	\$866,500	\$706,499
Dividends paid to Shareholder	\$775,890	\$125,890	\$225,890	\$525,890	\$525,890



## BOARD OF DIRECTORS 2018-2019

*Geoff Craig - Chair & President*

*Mike Paddison - Vice Chair*

*Tony Greenfield / Peter Moonen*

*Elise Rudland / Kathleen Suddes*

## SCCF Contact Information

*P.O. Box 215*

*Unit C—5588 Inlet Avenue Sechelt BC*

*VON 3A0*

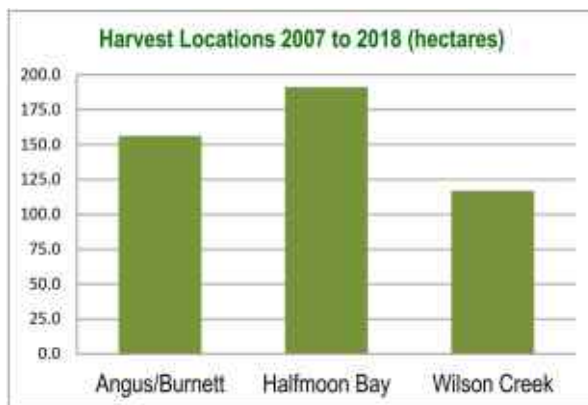
*Phone: (604) 885-7809*

*E-mail: info1@sccf.ca*

*Web: www.sccf.ca*

## LOCATION, LOCATION, LOCATION

One of our objectives is to balance our presence as equally as possible throughout our three operating areas. We have often been criticized for harvesting heavily in the Wilson Creek area but you can see by the chart below that, of the three areas, Wilson Creek has been harvested the least. In the next couple of years, our harvesting will be more focused on Angus/Burnett and Halfmoon Bay so you can expect this differential to continue to expand.



## ANCIENT LOG

One very interesting project the Community Forest participated in last year was the Ancient Log display. Several logs were found buried deep in the peat when excavating the building site for the Watermark condos in 2012. The Sunshine Coast Natural History Society had the cedar and fir logs carbon dated and they were found to be approximately 5500 years old, having been preserved in the anaerobic peat. The ancient log is now situated in Sechelt on the waterfront walkway by the Watermark. The Community Forest, along with the District of Sechelt and the Natural History Society, helped fund the display. It is incredible to think that the log on display, looking no different than a weathered log on the beach, is 500 years older than Stonehenge and 1000 years older than the pyramids at Giza.



## HIDDEN GROVE PARKING EXPANSION

Hidden Grove is one of the most popular recreation sites on the Sunshine Coast. The Community Forest works with the Sechelt Groves Society on a number of ongoing projects. In 2018, due to the Grove's popularity, there was a need to increase the size of the parking lot so we made it happen. Our thanks to the Society's hardworking trail crew, Hemstreet Contracting and Sechelt Tree Services, for doing such a great job to make the expansion areas blend in so well with the surrounding area.



## COMMUNITY \$\$ AT WORK

**In addition to the Legacy Fund  
SCCF proudly supported the following  
organizations in 2018:**

BC Lions Club - Sechelt  
Coaster 50 Bike Race  
Gibsons Wildlife Habitat  
Roberts Creek Elementary School  
Rotary Club - Pender Harbour  
Rotary Club - Sechelt  
Salmonid Enhancement Society  
Scouts Canada  
Sechelt Groves Society  
shishálh Nation  
Sunshine Coast Marine Rescue Society  
Sunshine Coast Natural History Society  
Sunshine Coast Wildlife Project  
Suncoast Woodcrafters Guild  
Tetrahedron Outdoor Club