



2011 ANNUAL REPORT

Presented at the Annual General Meeting,
March 27, 2012.

President's Report

It is my pleasure to present the 2011 Annual Report for the Bella Coola Community Forest Ltd.

After three years of operations, we are on sound financial footing and I am very pleased to report that the Board has approved a dividend payment of \$36,793 to our shareholders and the Bella Coola Resource Society. Since start up in 2008, we have created local jobs and



generated over \$2.5 million to the local economy. Sales to local mills are steadily increasing and we have contributed to the maintenance of forest roads and trails.

Furthermore, our reforestation is up to date and we have funds set aside to handle our long term forestry obligations, and road maintenance and deactivation requirements.

Considering that all this was achieved during extremely difficult times for the coastal forest industry, the Bella Coola Community Forest is off to a great start!

- Carl Siwallace, President

BCCFL Vision

The Community Forest contributes significantly to achieving a self-reliant and sustainable community through a locally controlled, financially sound and responsible community forest business that operates within the sustainable capacity of a healthy environment to enhance the quality of life for all residents.

Highlights

	2011	2010	2009
Employment – md	1346	1098	1057
local	34%	88%	88%
Harvest – m ³	23,112	15,367	21,337
Local sales – m ³	2,066	311	187
Area harvested - ha	37	18	44
Roads built -km	0	1.4	4.5
Maintained -km	10	24	15
Trees planted	17,625	36,000	0
Govmnt Fees - \$	325,000	90,000	214,000
Contractor Pay - \$	2.7 mil	1.3 mil	1.8 mil
Local	10%	59%	79%

BCCFL Board of Directors

The Board is very much involved in directing the management of the Community Forest. Pictured here are Roger Brandt, Ron Nygaard and Troy Gurr on a field



inspection of the heli-logging site above Green Bay with Advisory Committee member, Ken Corbould and guide, Frank

Bajich. Other directors not pictured are Barry Brekke, Ed Willson and Oran Hoppe.

Operations

Safety & Environment: There was no serious safety or environmental incidents in 2011.

Harvesting and Sales: The 2011 logging program did not get started until July due to lack of machine operators, as they were busy working on the 2010 flood restoration. The 1,842 m³ of timber left from last year's logging in the east Nusatsum was completed in 2011. All of this wood was sold to the local mills.

The majority of the logging in 2011 was done using helicopters at Green Bay in North Bentinck Arm. A total of 21,270 m³ of mainly Douglas-fir and hemlock was logged. This timber could not be accessed by conventional road and highlead methods, leaving no option but to use helicopters.

Silviculture: The Community Forest is committed to quickly reforesting the areas logged. All of the areas logged in the valley, have been planted with Douglas-fir and cedar seedlings. Tree spacing was also carried out on an overstocked 18 year old plantation. The Nuxalk Forestry Company was contracted to do this work.

Road Development & Maintenance: No new roads were constructed in 2011; however, road maintenance and seasonal deactivation was still required. With the West Nusatsum, Cacohtin, Noosgulch, Noomst and Talchacko roads still washed out from the 2010 flood, access to much of the community forest is restricted.

Community: In addition to the economic benefits, the Community Forest also contributes to local well being by



providing the opportunity for residents to collect firewood and by maintaining road access to mushroom picking areas. As the primary sponsor of the Fall Fair

Logger Sports, the Community Forest helps celebrate our heritage and the joy of living in the valley.

Wildlife Habitat: Development of a strategy to maintain adequate nesting habitat for goshawks continued in 2011. These chicken size hawks require very specific forest types which also make up much of the remaining economically viable timber in the valley. Through a collaborative effort with Ministry of Forests, this strategy is nearing completion.

Summarized Financial Statement

The following summary is from the year-end financial report prepared by PMT Chartered Accountants.

Summarized Income and Retained Earnings

Dec 31,	2011	2010
Revenue	\$3,792,334	\$1,623,576
Direct cost	3,284,886	1,513,105
Gross Profit	507,448	110,471
Gen Expense	130,764	137,250
Income from Ops	376,684	(26,779)
Other Income	(4,733)	(4,465)
Income Before Tax	371,951	(31,244)
Tax	39,202	0
Net Income (loss)	\$ 332,749	\$ (31,244)
Deficit start of year	\$(104,914)	\$ (69,145)
Accrued dividends	(4,525)	(4,525)
Retained earnings End of year	\$ 223,310	\$ (104,914)

Summarized Balance Sheet

Dec 31,	2011	2010
Current Assets	\$2,649,940	\$1,134,430
Other Assets	81,353	73,609
Assets	\$ 2,731,294	\$ 1,208,039
Current Liabilities	\$ 2,049,305	\$ 958,290
Accrued liability	205,673	101,657
Liability	\$2,254,978	\$ 1,059,947
Share capital	253,006	253,006
Retained Earnings	223,310	(104,914)
Shareholder Equity	476,316	148,092
	\$2,731,294	\$1,208,039

