



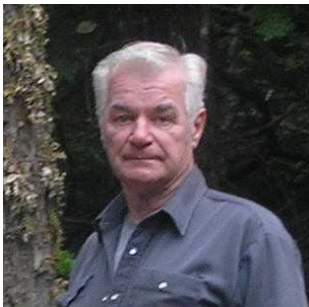
# 2015 ANNUAL REPORT

Presented at the Annual General Meeting,  
March 30, 2016.

## President's Report

I am very pleased to present the 2015 Annual Report for Bella Coola Community Forest Ltd.

After a difficult year in 2014, 2015 was a big improvement. It was one of our busiest years and we harvested over 21,000 m<sup>3</sup>.



Work got started early in the year in the Talchacko where we logged 13,800 m<sup>3</sup>. Then we moved to Nusatsum where we logged a couple small blocks prior to fire weather shutdown. With cooler and wetter conditions,

we got started again in September in Salloompt where we logged a small block along the west mainline.

The transition from harvesting primarily old growth to second growth continued in 2015. Although the block logged in Talchacko did not originate from previous logging, it regenerated naturally after a fire around 1915. The resulting timber was very much like second growth which opened the door for new, more efficient harvesting

Techniques. With potential for more of this type of work, our contractors invested in a feller buncher machine that quickly fells this size of timber. I should point out however, that there is still not enough second growth coming on line to support our operations and we will need to rely on older timber for the foreseeable future.

We are very pleased that there is steady local demand for our logs to mill into a variety of custom products. Our goal is to continue to expand this local market and future initiatives include joint marketing efforts with local millers to build a broader customer base.

Looking ahead, we are optimistic about 2016. The US housing market continues to improve and the demand for cedar remains strong. Uncertainty, regarding government policies on log exports and the Great Bear Rainforest initiative has been settled for a time, allowing security in our planning. Of concern though, is the rising valuation of the Canadian dollar as it directly affects the viability of our different logging options.

On behalf of the Directors, thank you for your continued support as we work for economic development in Bella Coola.  
*Oran Hoppe, President*

### - Highlights

	2015	2014	2013
Employment – md	1,725	1448	1014
local	88%	97%	95%
Harvest – m <sup>3</sup>	21,337	12,627	12,633
Local sales – m <sup>3</sup>	1,708	894	1,695
Area harvested - ha	44.5	21.3	23.2
Roads built -km	3.7	0.4	7.3
Maintained -km	30	29	8
Trees planted		21,100	34,800
Gov' Fees & tax -	\$99,410	\$103,717	\$80,502
Contractor Pay - \$	1.90 mil	1.66 mil	1.07 mil
Local	71%	80%	95%



## BCCFL Board of Directors

The Board is very much involved in directing the management of the Community Forest. The 2015/16 Board consisted of Oran Hoppe, President; Troy Gurr, VP; Ron Ngaard Treasurer, Ed Willson, Rod Krimmer, Barry Brekke and the Bella Coola Resource Society designated Director was Neil Osborne.

## Operations

**Safety & Environment:** The company's first serious safety incident occurred in 2015. A consulting engineer was attacked by a grizzly bear while laying out a heli block at Kwatna Inlet. The injured worker was transported quickly to hospital and after several months of recuperation and therapy, he is back doing forestry engineering.

Safe Certification was retained in 2015 and there were no significant environmental issues to report.

**Operations:** Logging capacity was further improved in 2015 with local contractors continuing to invest in new machinery. Except for rock blasting, we now have the full complement of equipment in the valley to carry out our logging operations.



Future operations will be focused in the Salloompt, Nusatsum and the area west of Noomst, on the south side of the Bella Coola River towards Firvale.

**Silviculture:** All of the areas logged are promptly replanted, usually within one year and on-going monitoring shows that the majority of the plantations are doing very well. The dry spring and summers in last two years have caused higher than usual mortality in our younger plantations.



These under-stocked areas will be fill planted in spring, 2016.

**Community:** Besides helping to keep forest roads open, firewood

salvage continues to be one of the main ways people interact with the community forest. .



## 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,	2015	2014
Revenue	\$2,806,841	\$1,410,878
Direct cost	2,323,962	1,470,796
Gross Profit	482,879	(59,918)
Gen Expense	137,910	153,918
Income from Ops	344,969	(213,836)
Other Income	14,055	9,210
Income Before Tax	330,914	(204,626)
Tax	44,989	(28,055)
Net Income (loss)	<b>285,925</b>	<b>(\$176,571)</b>
Earnings start of year	(22,766)	\$158,330
Net Pd/Accrued divds	(4,525)	(4,525)
Retained earnings End of year	<b>\$258,634</b>	<b>(\$22,766)</b>

### Summarized Balance Sheet

Dec 31,	2015	2014
Current Assets	\$738,493	\$704,757
Other Assets	140,349	197,809
<b>Assets</b>	<b>\$878,842</b>	<b>\$902,566</b>
Current Liabilities	\$159,718	\$532,557
LT debt & liability	207,484	139,769
<b>Liability</b>	<b>\$367,202</b>	<b>\$672,326</b>
Share capital	253,006	253,006
Retained Earnings	258,634	(22,766)
Shareholder Equity	511,640	230,240
	<b>\$878,842</b>	<b>\$902,566</b>