



ANNUAL REPORT
NOVEMBER 1 2021
TO OCTOBER 31 2022

WELLS GRAY COMMUNITY FOREST



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LAND ACKNOWLEDGMENT



“We would like to acknowledge that we are on the traditional lands of the Secwepemc and acknowledge Simpcw First Nations who have called this home since time immemorial.”

PRESIDENTS REPORT



I am pleased to report that the Wells Gray Community Forest Corporation (WGCFC) made a gross profit of \$2,159,303 based on the logging harvest of 24,204m³ in our fiscal year ending October 31, 2022.

This gross profit allowed the WGCFC to set aside a Silviculture Reserve which allows the Corporation to complete all Silviculture obligations on blocks we have logged to date. A transfer of \$ 2,000,000 from our gross profits after taxes to the Society was completed.

It is important to recognize the efforts of those who contribute to the success of the Community Forest.

The WGCFC board is comprised of eight volunteer members, including representation from Simpcw, who contribute to this community by overseeing the management of the WGCFC.

The Wells Gray 2010 Society and the Wells Gray Community Commission are comprised of members of the CF Corporation, the CF Society and the District of Clearwater. These are volunteer positions broadly representing the community. The Society and Commission receive the profits from the Corporation and distributes portions of these funds semi-annually to eligible proponents in Wells Gray Country that apply for grants and meet the funding criteria.

It is also important to acknowledge the many local contractors and their employees who have worked on the CF. It's a pleasure to work with individuals who value this CF and contribute not only to direct jobs in the community but also to the Corporation's profitability by their innovation. Thank you.

The WGCFC Board contracts the General Manager duties to Keystone Resources Ltd. Keystone has contracted to the WGCFC since its inception. We appreciate their dedication and expertise in the day to day management of the Corporation.

The CF generates income by selling logs on the open market, through local logging contractors based on a competitive bid process. In turn the contractors sell the logs to mills in the area. The majority of our logs are purchased by Interfor - Adams Lake, Tolko – Heavly Creek. Small volumes are made available at market price to local value added businesses.

The Board continues to look for new Board members who will contribute to the success of our Community Forest.

*Joel Steinberg
President*

GENERAL MANAGER'S REPORT

INTRODUCTION



Between November 1, 2021 and October 31, 2022, the Wells Gray Community Forest Corporation (WGFC) harvested 24,204m³ of its five-year Allowable Cut of 155,000m³. 2022 marks the commencement of a new five year cut cycle for our Community Forest.

Many of the harvesting sites in 2022, required prescriptions involving steep slope site planning. This program was successful only because of the skilled loggers whom were contracted by the CF in 2022.

During the process of Canfor transferring its forest tenure assets to Interfor, the Wells Gray Community Forest and Simpcw First Nations, focused their efforts on acquiring a portion of this tenure. We were jointly successful in securing a large portion of the Forest License which will in time provide an expansion to the Community Forest land base, under a joint Stewardship agreement with Simpcw First Nations.

Through out the winter and spring of 2022, the Community Forest was fortunate to have the opportunity to work with two groups of International Forestry students from the University of BC. As part of these engagement sessions, we worked on various management plan scenarios for the watershed landbase.

The completion of the fuel management prescriptions in 2020 has allowed the Wells Gray Community Forest to receive provincial investment funding which initiated on the ground fuel reduction treatments within the WGCF Landscape Fuel breaks in 2021 to 2022. The completion of a seventy hectare fuel break in Gill Greek area, is the first landscape unit to be completed.

The Community Forest is a public asset; it generates significant funds which support a large number of community groups and projects.

LOG SALES AND HARVESTING

A total, 24,204 m³ was harvested from two chart areas within the Wells Gray Community Forest landbase. Various Forest professionals were engaged by the WGCFC, to ensure this program was successful. Consultation with a Hydrologist occurred on many blocks as part of site planning and follow up phases.

Many of the harvesting were challenging for the loggers, often on steep slopes on rocky ground. These areas required a Steep Slope plan and specialized equipment.

2022 marked the start of a new, five year cut control cycle. Market prices remained strong, the Community Forest received a excellent pricing for its log sales program.

Harvesting occurred with conventional ground-based systems and tethered steep slope systems.

1. Blackpool area. Forest type of Douglas Fir, Cedar and Birch mixed wood, providing Peeler, Saw log and Pulp products.
2. Hascheak Creek. These stands were previously high graded. A Forest type of Douglas Fir, Cedar, dead Pine, and Birch mix stands, providing Sawlog and Pulp grade and small amounts of firewood.
3. Gill Creek. Forest type of High Value Douglas Fir, dead Pine stands and Birch mixed wood, providing Sawlog and Pulp products. One load of high quality Douglas Fir was sold to a local Timber home builder.

The WGCFC hires local contract loggers. The successful bidder for the harvesting was Kim Miller Logging and Volks trans Canada. The harvested timber was shipped to various mills: Interfor-Adams Lake, Woodco-Barriere, River City-Kamloops, Tolko – Heffley Creek and Gilbert Smith in Barriere.

In 2022 markets remained strong, the CF has received high value for timber and has targeted full utilization of its products.

SAFETY

All contractors which were hired by the WGCF in 2022; were required to be SAFE certified under the BC Forest Safety Council and assume the Prime contractor role for their worksite.

No significant accidents or incidents were reported to the Wells Gray Community Forest Corporation during 2022.

The Wells Gray Community Forest required Steep Slope logging procedures on several harvesting locations. These procedures were implemented on the ground during winter harvesting locations, this was successful because of the care taken by our local loggers.



Field trip viewing Volks Trans; Steep Slope Tethered harvest system.

ROAD AND BRIDGE CONSTRUCTION

A goal of constructing access for the 2022 harvest programs, was to utilize temporary access roads and winter trails, where save and practicable. These temporary roads reduce the impact of permanent roads in the landbase, we can use these temporary roads to grow timber for the future. No permanent roads were constructed in 2022.

Access will continue to be established into our various chart areas as required, improving safety and access for harvesting, silviculture, wildfire suppression activities and the public. Roadside brushing and drainage maintenance on local roads under tenure with the Wells Gray Community Forest is a yearly activity.



The CF contracted the design for the replacement of two large crossing in the Blackpool area, in 2019. The 9.5km Bridge on the East Blackpool FSR was replaced in July 2020.

This year we continued with the plan to remove these older problematic bridges and invest in a long-term solution for the Community Forest. The 10.0Km Bridge on the East Blackpool FSR was replaced with a 2300mm culvert by Kim Miller Logging.

Replacing these bridges with large culverts, will reduce the long-term maintenance and obligations for these crossings.

FUEL INTERFACE MANAGEMENT

The WGCFC's guiding document for Wildfire Mitigation, is the Landscape Fuel Management Plan, which provides spatial locations of landscape fuel breaks and will direct prescriptions and treatments completed in the field.

The goal of these treatments is two-fold, it's intended to reduce the impacts of wildfire events by reducing surface to crown fuel distances and to provide a defensible space in which Fire crews can enter with the knowledge that area has a reduced fuel loading.

WGCFC was successful in securing funding for spring 2020 from the government, this funding was awarded to an out-of-town contractor who completed fuel management treatments over two field seasons. This project was completed in 2022, with the lengthy delay of burning the debris associated with the treatment, this is an ongoing challenge.



Post treatment in mature stand – 80 years old.

TIMBER MANAGEMENT

The WGCFC has a contract with Keystone Natural Resources Ltd. as General Manager (GM) to complete an annual harvest planning, coordinate referrals, engage with First Nations, coordinate hydrological or terrain Stability assessments, ensure site plans are completed and produce annual layout targets.

The GM is assisted by various resource professionals to complete this development.

Review and updates to the Community Forests 15-year timber forecast plan allows the Board of Directors and the public to be confident in the availability of future timber supply over the next decade and provides long term plan and financial forecasting. Harvest planning and timber development is presented by five-year projections; annual updates to this plan are underway to forecast our next cut control period.

The Community Forest acquired a Lidar data set for its entire land base in 2019, this high-resolution imagery was used in the planning of landscape fuel management, future harvest planning, recreation trail location and provided details on the future expansion of the CF land base. This Lidar set has improved the accuracy of the data which was used to update the timber supply calculation in 2022. This timber supply calculation has provided the General Manager and the Board of Directors with the most up to data, to make the decision to reduce the Annual allowable cut over the next 10 years. This investment and decision is to ensure the long term timber supply of the Wells Gray Community Forest is correct.



Forty-Five-Year-old Douglas Fir Plantation.

FOREST MANAGEMENT AND EDUCATION

Our Management Plan was approved by the by the Ministry of Forest, Lands and Natural Resource Operations on March 25, 2015. This document is posted on our website (www.wgcfc.ca). This document will renewed in 2023, it will include the 2022 Timber supply calculation.

The WGCFC Forest Stewardship Plan (FSP) required revision and resubmission, it was approved on December 31, 2021 and is currently posted on our website. This plan outlines the strategies which the WGCFC will use to achieve measurable results that are compliant with forest legislation and regulations.

The Wells Gray Community Forest Corporation manager contracted Forsite Consultants Ltd in 2022, to complete a self-audit. Forest professionals in any role are encouraged to practice strong communications, seek mentorship, continue education and professional development, manage their scope of practice, and seek periodic external third-party checks or evaluations of their practices.

The WGCFC Manager has expressed that their intentions and practices align with the best interests of local communities and the WGCFC, and they are following their due diligence in participating in periodic audits to ensure best practices are being followed.

The public is always welcome to contact the WGCFC through its web site; this is where the CF post relevant updates. Mapping showing the spatial locations of operations in five-year planning cycles focusing on our harvesting and road building planning are available for discussion with the public at request.

The result of harvesting operations benefiting all users in the community, allows the discussion and raises awareness of the community forest's operations with many different user groups and members of the public.



UBC International Students and the Wells Gray Community Forest; collaborate on Management Plan.



SILVICULTURE

The WGCFC promotes a high standard for silviculture treatments, from the planting program to meet free growing obligations. In 2022 we established 267,173 seedlings into various cut blocks from the past years harvesting programs.

MacRiver Ent was contracted to complete the 2022 spring and summer planting program. This local contractor completed the program with a high degree of care and quality.

We recognize the importance of a multiple species planting program, this practice ensures a diverse future forest, where the CF will have the opportunity to practice commercial thinning as part of annual harvest program.

The WGCFC continues the use of fertilizer at the time of planting on selected sites. This application provides the seedling with additional resources to ensure successful performance on poor nutrient sites. The usage of fertilizer at the time of planting will produce larger crowns on the trees and therefore reduce the need for brushing on some areas. Fertilizer will continue to be used on selected sites for our yearly planting programs. When the CF re plants and fill plants areas, the use of fertilizer is employed.

After the establishment of the plantation, it will take between eight to twelve years to reach Free Growing status. Our FSP states the various criteria that the crop trees must meet, such as minimum heights, pest and disease requirements, and competing vegetation requirements. Brushing treatments, the removal of competing vegetation around crop trees, is often required to ensure the success of these crop trees. The Community Forest believes in maximizing the retention of deciduous trees as part of the secondary stand structure.

Several our second growth stands reached free growing status in 2022. We are proud of these second growth stands; they are healthy multi-species plantations that will contribute to future forest management opportunities.



George Brcko
General Manager

FINANCIAL STATEMENTS

CORPORATE DATA

BOARD OF DIRECTORS 2021-2022



Joel Steinberg
President

George Brcko, Keystone Resources
General Manager/Contractor

Brent Buck
Vice President

Interior Savings Credit Union, Clearwater, BC
Banker

Paul Streadwick
Secretary/Treasurer

Bruce Martin & Associates
Accountant

Glen Foss
Director/Simpcw representative

Office location:
209 Dutch Lake Road

Joseph Wadlegger
Director

Clearwater, BC
V0E 1N2

Tim Panko
Director

T. 250-674-3530

F. 250-674-3540

george.brcko@wgfc.ca

www.wgfc.ca

Wayne Sim
Director

Ron Hadley
Director

WELLS GRAY SOCIETY REPORT BOARD OF TRUSTEES 2021-2022



Heather MacLennan
Chair

Ron Hadley
Vice Chair

Leslie Groulx
Secretary

Sheila Thiessen
Treasure

Mitch Miller
TNRD Electoral Area A

Merlin Blackwell
DOC representative

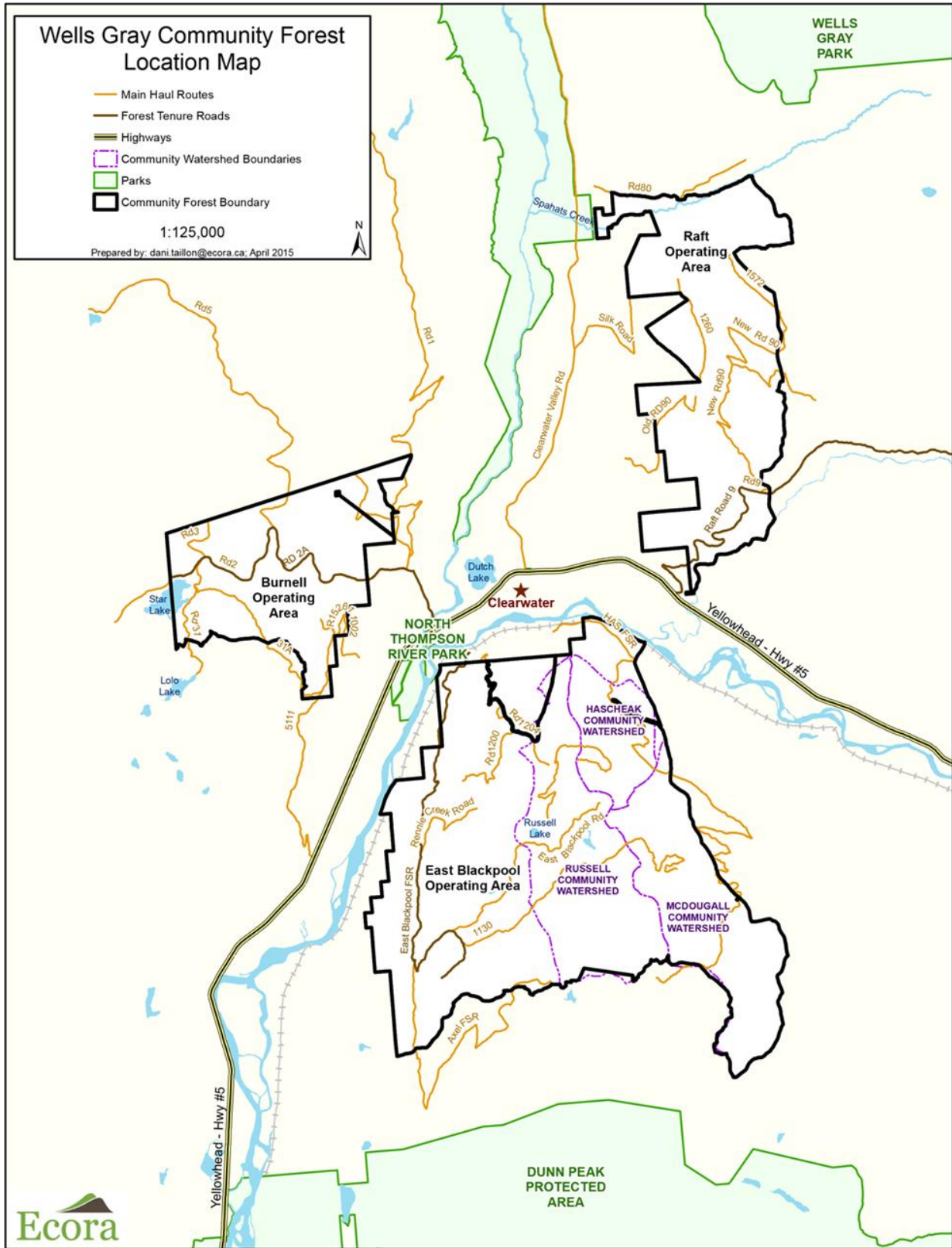
Wayne Sim
WGCFC representative

SOCIETY FUNCTION

The Wells Gray Community Forest (2010) Society ("Society") works in unison with the Wells Gray Community Forest Corporation ("Corporation") to provide funding to non-profit organizations within Wells Gray Country (TNRD Electoral Area 'A') and the District of Clearwater for a wide range of community projects. The funds result from the harvesting operations within the Wells Gray Community Forest License.

The Society's function is to hold the shares of the Wells Gray Community Forest Corporation (which manages the forest and harvests the Community Forest License); provide shareholder and fiduciary oversight of the Corporation; and recommend how the net profits are distributed into the broader community. In addition, the Society provides representatives to the newly formed Wells Gray Community Forest Commission (see below), which grants some of the Community Forest profits for large projects and to small non-profit community groups that do not possess charity status.

MAP



MISSION STATEMENT

“To operate and manage a Community Forest Agreement License on a long term, sustainable, environmental and social plan that will maximize the economic opportunities and benefits for the residents of Wells Gray Country”





Wells Gray Community Forest (2010) Society

2022 ANNUAL Report

October 2023

Wells Gray Community Forest (2010) Society

2022 ANNUAL Report

Purpose of the Wells Gray Community Forest (2010) Society (“Society”):

1. The purposes of the Society are:
 - (a) to promote the economic and social welfare of the residents of Wells Gray Country (including the District of Clearwater) including the provision of support for benevolent and charitable enterprises, federations, agencies, and societies engaged in furthering these purposes.
 - (b) to hold the Shares, and receive all the benefits of the Shareholdings, of the Wells Gray Community Forest Corporation (WGFC), which company manages a Community Forest License (the “Community Forest”) in Wells Gray Country (Thompson Nicola Region District Electoral Area ‘A’).

ANNUAL GENERAL MEETING:

As a requirement of the Wells Gray Community Forest (2010) Society Constitution and Bylaws, the Society held its Annual General Meeting (AGM) on November 7th, 2022.

Elections of Officers were held with the following results:

- Heather MacLennan - Chair,
- Ron Hadley -Vice Chair,
- Leslie Groulx – Secretary,
- Sheila Thiessen – Treasurer
- Directors
 - Mitch Miller, appointed to represent - TNRD Electoral Area “A”,
 - Merlin Blackwell, appointed to represent - District of Clearwater
 - Wayne Sim, appointed representative - Wells Gray Community Forest Corporation replacing Brent Buck

Activities in 2022:

Worked with Morelli Chertkow to review the Society’s Constitution and Bylaws. The Society’s Bylaws require an update to address use of technology for meetings and signing documents and to remove the District of Clearwater as holding a position on the Board. This will be replaced with a “community member at large”. Worked with executive members of the Corporation and Morelli Chertkow to complete draft Management Agreement between the Society and Corporation.

Development of an Orientation package for incoming board members.

Reviewed and updated Society grant application form, adding a clear set of criteria including eligible and ineligible expenses.

Engaged KPMG to complete the 2022 audit process.

SPRING AND FALL GRANTS:

In 2022 the Society advertised two granting cycles 1) Spring for \$100,000 and 2) Fall for \$50,000. As in previous years, the Society adjudicated and distributed funds to community projects as per Table 1 & 2 below:

In the Spring, the Society received five (5) applications, of which all were excellent projects and received approval – noted in Table 1:

TABLE 1: APRIL 2022 (\$100,000)

Group	Grant Description	Amount
Wells Gray Outdoor Club	Half Marathon	\$4,000.00
Wells Gray Lively Arts Society	Purchase music equipment	\$10,000.00
North Thompson Arts Council	Art Supplies	\$2,000.00
Clearwater Ski Club	Chairs	\$6,700.00
Upper Clearwater Vol Fire Brigade	Purchase sea can for storage	\$5,120.00
TOTAL Approved:		\$27,820.00

In the Fall of 2022, the Society received eight (8) applications and based on the Societies granting criteria six (6) were approved – noted in Table 2:

TABLE 2: OCTOBER 2022 (\$50,000)

Group	Grant Description	Amount
Evergreen Acres	Generator for Amenities Building	\$80,000.00
Blackpool Fire Department	Enhanced fire suppression water storage	\$13,556.43
Clearwater Secondary School	Family Day	\$800.00
Clearwater Secondary School	Purchase 5 mountain bikes	\$5,247.38
Clearwater Secondary School	Purchase festool track saw and accessories	\$2,018.24
Upper Clearwater Volunteer Fire Brigade	Purchase water tanks	\$22,728.96
TOTAL Approved:		*\$124,351.01

**Based on previous granting cycles and low submission the Society held funds which allowed for the ability to grant well above the \$50,000 Oct 2022 granting.*

There are occasions when organizations may have missed the granting cycles, in this instance there is the ability to apply for a Sponsorship grant. There was one application submitted and approved as noted in Table 3 below:

TABLE 3: SPONSORSHIP GRANTS 2022

Group	Description	Amount
Clearwater & District Minor Hockey	Hockey	\$1,500.00
Total Approved:		\$1,500.00

For the reporting year of 2022 the Society approved funding as stated in Table 4 below:

TABLE 4: SUMMARY - WGCFS 2022 DISBURSEMENTS

In Take Session	Amount
Spring (April)	\$27,820.00
Fall (October)	\$124,351.01
Sponsorship	\$1,500.00
Total Approved:	\$153,671.01

In 2022, the Society in partnership with the Corporation and District of Clearwater received one (1) grant application which was adjudicated under the Wells Gray Community Forest Commission and noted in Table 5 below:

TABLE 5: WELLS GRAY COMMUNITY FOREST COMMISSION GRANTS 2022

Organization	Description	Amount
District of Clearwater Fire Department	Equip a Structural Fire Protection Unit	\$63,730.44,
	Total Approved	\$63,730.44

On an annual basis the **Ted Richardson Memorial Bursary** is to be granted to one student in the amount of \$2,000.00 **OR** two students in the amount of \$1,000.00 dependent on quality of applications. This Bursary was setup and is funded by the Wells Gray Community Forest Corporation (held under the Commission).

TED RICHARDSON BURSARY 2022:

In May, the Wells Gray Community Forest Commission received six (6) bursary applications from students graduating from Clearwater Secondary High School. A subcommittee of five (5) commission members was formed to evaluate the applications and award the bursaries. There were two (2) bursaries awarded to two (2) deserving students, Cassidy Tucker (\$1,000.00) and Harper Schrauwen (\$1,000.00) totalling the annual disbursement of \$2,000. Cassidy is enrolled in Thompson Rivers University to complete her Bachelor of Science degree going into kinesiology/physiotherapy and Harper is enrolled in the Capilano University to complete the Bachelor of Arts program majoring in Interdisciplinary Studies.



HIGHLIGHTS OF THE WELLS GRAY COMMUNITY FOREST SOCIETY GRANTS ALLOCATED IN 2022:

The following are examples of three (3) projects that acquired funds from the Society's Spring and Fall granting cycles:

2022 Family Day, held at the Clearwater Secondary School:

The event was held at Clearwater Secondary School from 12pm -3pm on February 20, 2023. There were over twenty secondary student volunteers and 10 adult volunteers who greeted participants and manned stations.

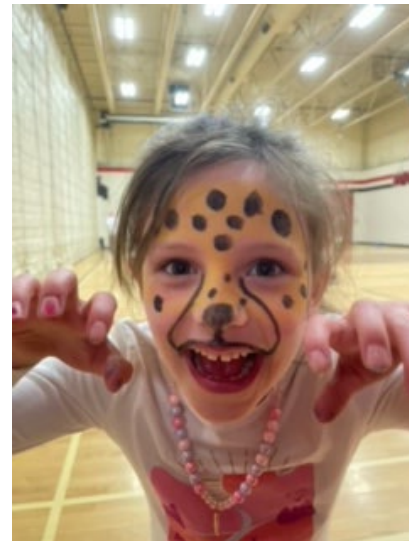
The activities that took place this year were as follows: polaroid and picture frames, face painting, balloon tennis, relays, floor hockey, science experiments (static and magnets), northern lights painting, math games, food and coffee station, sensory bins, tabletop games, Lego, and home-made bath bombs.

All children were also able to take home a free Scholastic book along with a printed booklet that outlines how to recreate the activities on their own at home.

This year we had 91 family groups attending, serving 179 children. Most families stayed the entire three hours. This is a record number of children attending for the in-person event.



Public feedback after and during the event was very positive and families were thankful and excited to participate. A great success!



WELLS GRAY LIVELY ARTS SOCIETY:

The Wells Gray Lively Arts Society is so very grateful to Wells Gray Community Forest Society for their very generous financial support to our 'Sound & Lighting Project'. We were able to purchase all of our "wish-list" equipment in time for our First Summer Stage event on July 7, 2022. Perfect timing as so many of our community have enjoyed outstanding performances with enhanced sound quality and as the evening progressed, subtle lighting enhanced the music. What joy to change the lighting to a gentle purple as the Margit Sky Project sung Prince's "Purple Rain". As we have said before - we are not the entertainers. Our society aims to organize venues together with the necessary equipment and technical expertise for high quality performances. And with comments from our audiences of between 150-250 and our performers alike of "Great sound!" and "Incredible Sound!!", I believe the WGLAS is doing just that.

As the President, I am included in conversations with our technical guys at WGLAS and I have noticed the enthusiasm, growth of knowledge and the desire to learn new skills. All of this will snowball, so that our performances and live music events will continue to grow and become even better. The best bit of all this that our community will hear and see better and better shows - what more could we ask for? None of this would have been possible for many years with you. In promoting, reporting, and opening our live music events, I have acknowledged the financial support of the Wells Gray Community Forest Society. At our Summer Stages, I also like to acknowledge the wonderful support we have. Our new banner, with your logo on it, is centre

stage as you will see in the attached photographs. Once Summer Stage is over, we will add an acknowledgement plaque to our wonderful sound board. On behalf of everyone at Wells Gray Lively Arts Society, I offer you a very grateful thank-you.

Wells Gray Lively Arts Society

Our Sound Board



Blackpool Volunteer Fire Department \$13,556.43

Phase Three of the Enhanced Fire Suppression Water Storage project has started with the purchase of the two 5000-gallon water storage tanks ordered November 17, 2022.

Tanks arrived from the manufacturer at Blackpool on January 7th, 2023. Tank outlet valves and decals are being ordered. Including WGCF recognition decal and logo.

Site locations at Pump Town/ Highway 5 South of Blackpool and Roundtop Rd/ Highway 5 North of Little Fort are being studied for those locations that would best provide access in times of emergency. Landowners are being approached to gain permission to access and prep the sites for tank placement similar to Phases one and two of the project. Actual site prep and leveling will take place, late February thru Mid-March, unless a window of opportunity in the winter season presents itself. Tank placement to be completed by late March when the tanks go into service.

The establishment of the two additional fire suppression water storage tanks at Pump Town and Roundtop will provide enhanced public safety and fire fighting capabilities to the community and the travelling public for the fire depts. Ready access in a timely manner is critical to early extinguishment and control of fires.



Highway 5 North of Little Fort



Pump Town - Blackpool



Financial Information of

**WELLS GRAY
COMMUNITY FOREST
CORPORATION**

And Compilation Engagement Report thereon

Year ended October 31, 2022



KPMG LLP
560 Victoria Street
Kamloops BC V2C 2B2
Canada
Tel 250-372-5581
Fax 250-828-2928

COMPILATION ENGAGEMENT REPORT

To the Management of Wells Gray Community Forest Corporation

On the basis of information provided by management, we have compiled the balance sheet of Wells Gray Community Forest Corporation as at October 31, 2022, the statement of earnings and retained earnings for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information and other explanatory information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive style and is underlined with a single horizontal stroke.

Chartered Professional Accountants

Kamloops, Canada

January 24, 2023

WELLS GRAY COMMUNITY FOREST CORPORATION

Balance Sheet

October 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 1,006,804	\$ 1,122,528
Term deposits	484,102	482,168
Trade receivable	882	7,511
Income taxes recoverable	106,780	23,158
Prepaid expenses	773	963
	<u>1,599,341</u>	<u>1,636,328</u>
Equipment (note 2)	387	686
	<u>\$ 1,599,728</u>	<u>\$ 1,637,014</u>

Liabilities and Shareholder's Equity

Current liabilities:		
Accounts payable and accrued liabilities	\$ 58,854	\$ 81,648
Shareholder's equity:		
Share capital	8	8
Silviculture reserve	900,000	1,060,000
Retained earnings	640,866	495,358
	<u>1,540,874</u>	<u>1,555,366</u>
	<u>\$ 1,599,728</u>	<u>\$ 1,637,014</u>

See accompanying notes to financial information.

WELLS GRAY COMMUNITY FOREST CORPORATION

Statement of Earnings and Retained Earnings

Year ended October 31, 2022, with comparative information for 2021

	2022	2021
Revenue	\$ 2,962,975	\$ 1,085,108
Direct costs:		
Logging and harvesting	50,408	52,319
Project professional services and subcontracting	279,272	119,858
Road and bridge maintenance	157,084	110,606
Silviculture	316,908	373,828
	<u>803,672</u>	<u>656,611</u>
Gross profit	2,159,303	428,497
Expenses:		
Advertising	-	329
Amortization	300	623
Insurance	3,851	4,801
Interest and bank charges	244	191
Licenses, dues and fees	5,872	7,309
Office and general	1,852	2,823
Professional fees	8,732	8,909
Rent	8,768	7,650
Society	5,752	3,136
Wellness Centre Feasibility	77,220	-
	<u>112,591</u>	<u>35,771</u>
Earnings before the undernoted items and income taxes	2,046,712	392,726
Other income (expense):		
Interest income	4,336	8,357
Donations	(2,000,500)	(550,000)
Other revenues	-	3,500
Allocation from reserve	160,000	60,000
	<u>(1,836,164)</u>	<u>(478,143)</u>
Earnings (loss) before income taxes	210,548	(85,417)
Income taxes:		
Federal and provincial income taxes	13,759	2,362
Logging taxes	51,281	10,122
	<u>65,040</u>	<u>12,484</u>
Net earnings (loss)	145,508	(97,901)
Retained earnings, beginning of year	495,358	593,259
Retained earnings, end of year	<u>\$ 640,866</u>	<u>\$ 495,358</u>

See accompanying notes to financial information.

WELLS GRAY COMMUNITY FOREST CORPORATION

Notes to Financial Information

Year ended October 31, 2022

1. Basis of accounting:

The basis of accounting applied in the preparation of the financial information is on the historical cost basis, reflecting cash transactions with the addition of the following:

- Accounts receivable less an allowance for doubtful accounts
- Property and equipment is amortized on the same basis as for income tax
- Accounts payable and accrued liabilities
- Current income taxes payable (recoverable) as at the reporting date
- Prepaid expenses

2. Equipment:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Equipment	\$ 752	\$ 574	\$ 178	\$ 222
Computer	4,328	4,119	209	464
	\$ 5,080	\$ 4,693	\$ 387	\$ 686