



**Nicola-Similkameen  
Innovative Forestry Society**

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**2010-2011 Annual Report  
For the Merritt IFPAs**

April 2011

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On behalf of the NSIFS Board of Directors

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## **BOARD OF DIRECTORS' REPORT**

### **INTRODUCTION**

The Nicola-Similkameen Innovative Forestry Society (NSIFS) was incorporated under the British Columbia Societies Act on November 9, 1998 to facilitate the implementation of the Province of British Columbia's Innovative Forest Practices Agreements (IFPAs). The NSIFS Board of Directors is made up of the five IFPA licensee members and three non-IFPA members, which include:

- Weyerhaeuser Company Limited
- Tolko Industries Limited
- Aspen Planers Limited
- Ardew Wood Products Limited
- Stuwix Resources Joint Venture
- Nicola Tribal Association
- Upper Similkameen Indian Band (USIB)
- BC Timber Sales (BCTS)

### **NSIFS VISION**

*NSIFS uses innovative forest management practices that incorporate Aboriginal knowledge and values and public involvement in order to increase the productivity of a healthy and resilient working forest. These local forests provide increased forest values, additional investment and enhanced employment opportunities while assuring environmental, economic, and social sustainability for communities in the Nicola-Similkameen region.*



### **STRATEGIC OBJECTIVES**

Based on the key issues and opportunities identified, the NSIFS has adopted six key strategic objectives<sup>1</sup> that strongly reflect the NSIFS' vision for the future of the Merritt TSA and will guide the development of annual business planning priorities for program investments. These updated objectives are:

1. Create an innovative forest management environment;
2. Support First Nations' communities;
3. Increase the sustainable harvest;
4. Enhance environmental values;
5. Strengthen forest inventories and support tools; and
6. Maintain effective community involvement.

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<sup>1</sup> Approved by the NSIFS Board of Directors on June 23, 2003

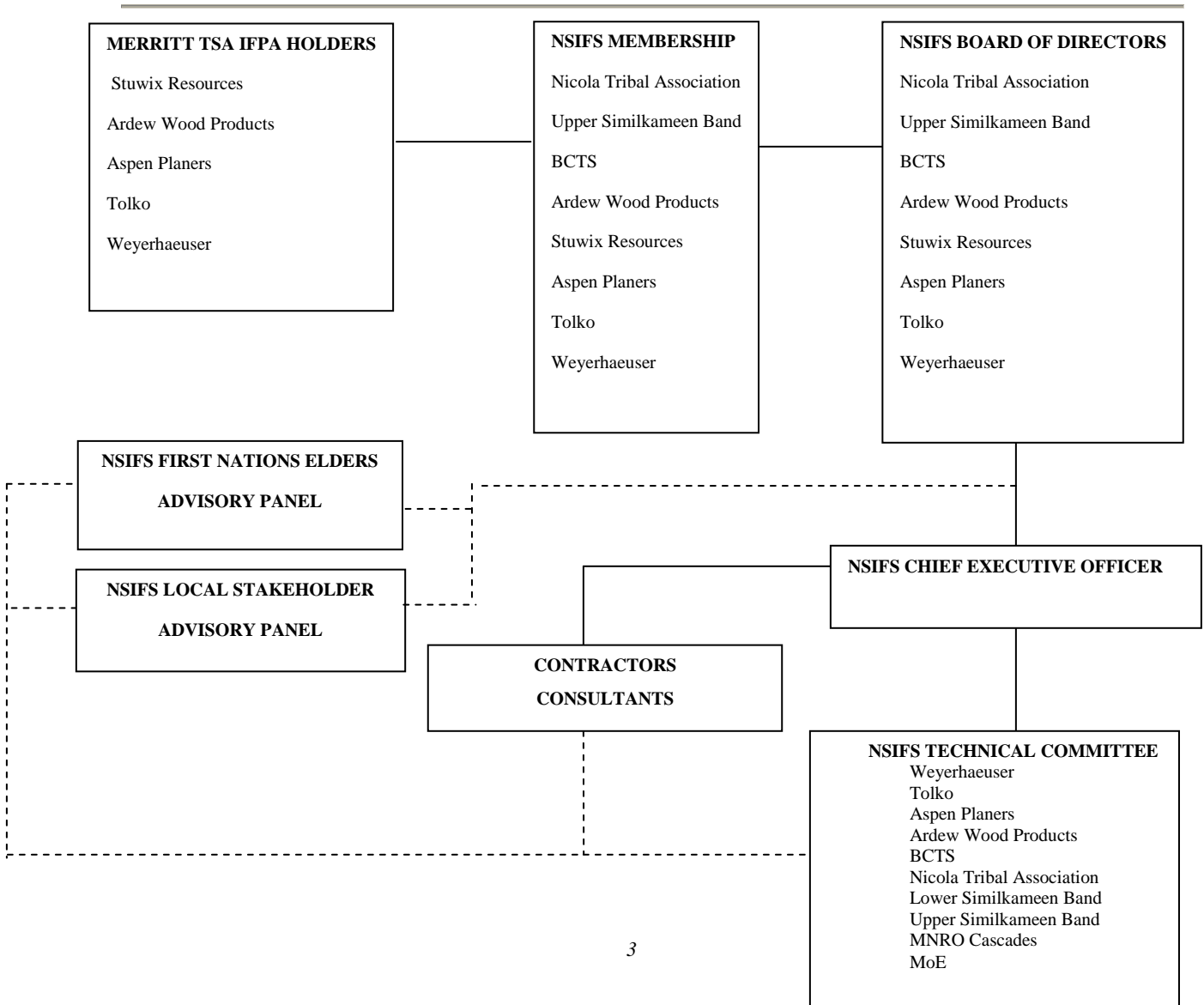
The NSIFS believes they will meet the requirements and opportunities of the IFPAs by following the direction developed and approved in the 2005 IFPA Forestry Plan, as well as building on annual investment strategies with the NSIFS Technical Advisory Committee (TAC) and Board of Directors.

This Annual Report discusses the strategies used to undertake and deliver NSIFS projects. It also highlights project investments made and progress with the MPB annual harvest with IFPA licensees. In monitoring First Nations opportunities in the Merritt TSA forest industry, First Nations' employment numbers are tracked and included in this annual report. The scope of this report covers the period from April 1, 2010 through to March 31, 2011 and includes a description of overall program objectives and investments along with a summary of year-end financials.

**NSIFS SOCIETY MEMBERSHIP**

The organization chart in figure 1 provides an overview of the NSIFS membership structure of which the core group is made up of forest licensees, government agencies, and First Nations.

**Figure 1. NSIFS Structure Overview**



The NSIFS administration, management and project delivery are contracted out to Forsite Consultants Ltd and Integrate Pro-Action Corporation (IPAC). Appendix 5 includes a contact list of the NSIFS Board of Directors and supporting consultants.

### **NSIFS INNOVATIVE FOREST MANAGEMENT ENVIRONMENT**

The NSIFS decisions are based on consensus management and direction for support, development and implementation of 2010-11 fiscal activities. The NSIFS governance model states that all resolutions are based on a full Board of Directors' quorum that supports the strategic objectives of the NSIFS. Two directors represent the First Nations<sup>2</sup> and participate fully on the board. The NSIFS conducts a number of board meetings during the fiscal year to provide direction on activities, budgets, funding mechanisms, staff appointments and Timber Supply Analysis scenarios.

The NSIFS TAC provides support for the development of fiscal projects, associated budgets and project completion. The TAC supports the Board of Directors responsible in implementing the NSIFS vision and strategic objectives. Currently the TAC is represented by the following First Nations and organizations:

- Coldwater, Siska, Cook's Ferry bands through Esh-kn-am,
- Shackan, Nicomen, Nooaitch bands through the NTA,
- Upper Nicola Indian Band,
- Lower Nicola Indian Band,
- Upper Similkameen Indian Band,
- Ministry of Natural Resource Operations (MRNO),
- Ministry of Environment (MOE),
- BC Timber Sales (BCTS),
- Weyerhaeuser Company
- Stuwix Resources
- Tolko Industries
- Aspen Planers, and
- Ardew



The TAC continues to provide support and direction for the development of a TSA IFPA program built on co-management of timber and non-timber resource values.

NSIFS invested approximately \$29,990 for office administration, accounting, legal, website maintenance, insurance and society management at the end of the 2010-11 fiscal year.

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<sup>2</sup> NTA Lennard Joe and USIB Carmeletta Holmes

### **ENHANCE ENVIRONMENTAL VALUES**

The NSIFS is committed to managing timber and non-timber resources in a responsible and sustainable manner and invest in projects that enhance environmental values. A number of environmental initiatives have been developed to ensure an increased AAC will not come at the expense of environmental values. To better manage and understand implications to plant and wildlife habitat, NSIFS and partners invested \$740,144 to enhance wildlife habitat in grassland/open forests types by conducting ecosystem restoration.

In addition, the NSIFS worked closely with the Cascades Forest District and the Southern Interior Beetle Action Coalition (SIBAC) in updating to a new Mountain Pine Beetle viewer tool platform. This platform supports licensees, First Nations, and government on maximizing the economic opportunities that are realized during MPB salvage while protecting and, or minimizing the impacts to other timber and non-timber resource values. In 2010 the spatial interface was established through SIBAC funding for \$25,000.

### **NSIFS AND PARTNER PROJECTS THROUGH GOVERNMENT ECONOMIC STIMULUS FUNDING, JOB CREATION FUNDING AND GRANTS**

In 2010, the Forest Investment Account (FIA) changed from a combination discretionary and targeted funded delivery model to completely a targeted one. Government's mandate to focus investments demographically on priority areas impacted by MPB left some TSA's, like Merritt's, with no funding for strategic planning opportunities.

The NSIFS pursued and secured \$274,575 funding through the Jobs Opportunity Program (JOP), a provincial employment funding program aimed at getting people back into the workforce. The NSIFS was also successful in securing \$354,514 in federal funds through the Community Adjustment Funding Program. This funding was part of a two-year national economic stimulus initiative ending March 31, 2011. Networking with local partners also benefited the NSIFS in securing funding through both the Cascades Forest District and Grasslands Conservation Council of BC (GCC) totalling \$111,055. All above funding focused on enhancing employment opportunities and supporting First Nation communities with the NSIFS.

Without the support of the Cascades Forest District and GCC, the funding and work opportunities would have not been possible. These partners provided funding support in all areas of the ecosystem restoration projects which allowed the NSIFS to maximize employment investments for First Nation workers.

### **NSIFS PROJECT PLANNING**

Project planning for 2010 was brief having no access to FIA LBIP funding for discretionary project implementation. Instead, project planning was limited to targeted funded stimulus programs to take advantage of a brief funding eligibility period 2-3 years through the Jobs Opportunity Program and the Community Adjustment Funding Program. In conjunction with planning eligible work

opportunities with the Cascades Forest District and the Grasslands Conservation Council of BC, the NSIFS was able to establish three large treatment areas for ecosystem restoration to reintroduce previously unemployed First Nation workers back into the workforce. These three treatment areas included:

- Five Pastures, 144 ha;
- Brake Check, 117 ha; and
- Lundbom Lake, 91.3 ha.

The NSIFS also secured funding for MPB management to improve the information resources and collaboration with First Nations, government and licensees. Funding through SIBAC was limited to developing an improved MPB viewer tool framework for the Merritt and Lillooet TSA's.

## **SUMMARY OF PROJECTS AND EMPLOYMENT CREATION**

As majority of NSIFS projects were funded through economic stimulus and job creation government programs, both a detailed description of worker activities and employment statistics are included below.

### **ECOSYSTEM RESTORATION PROJECTS**

A combination of Federal, Provincial, Regional and District funding sources were used to support the NSIFS Ecosystem Restoration Projects. Implementation of the ecosystem projects included sixteen labour contracts with local First Nation bands and organizations, one supervision contract with a Stuwix Resources Joint Venture, and five quality control and effectiveness monitoring contracts.

Without the participation of local First Nation bands, these ecosystem restoration projects could not have been completed. Twenty-Five First Nation workers previously out of work were employed over the course of six months (July – Dec). The First Nation bands and organizations involved included with the ecosystem restoration projects included:

- The Lower Nicola Indian Band,
- The Upper Similkameen Indian Band,
- The Lower Similkameen Indian Band,
- The Coldwater Indian Band,
- The Nooaitch Indian Band, and
- Stuwix Resources Joint Venture.

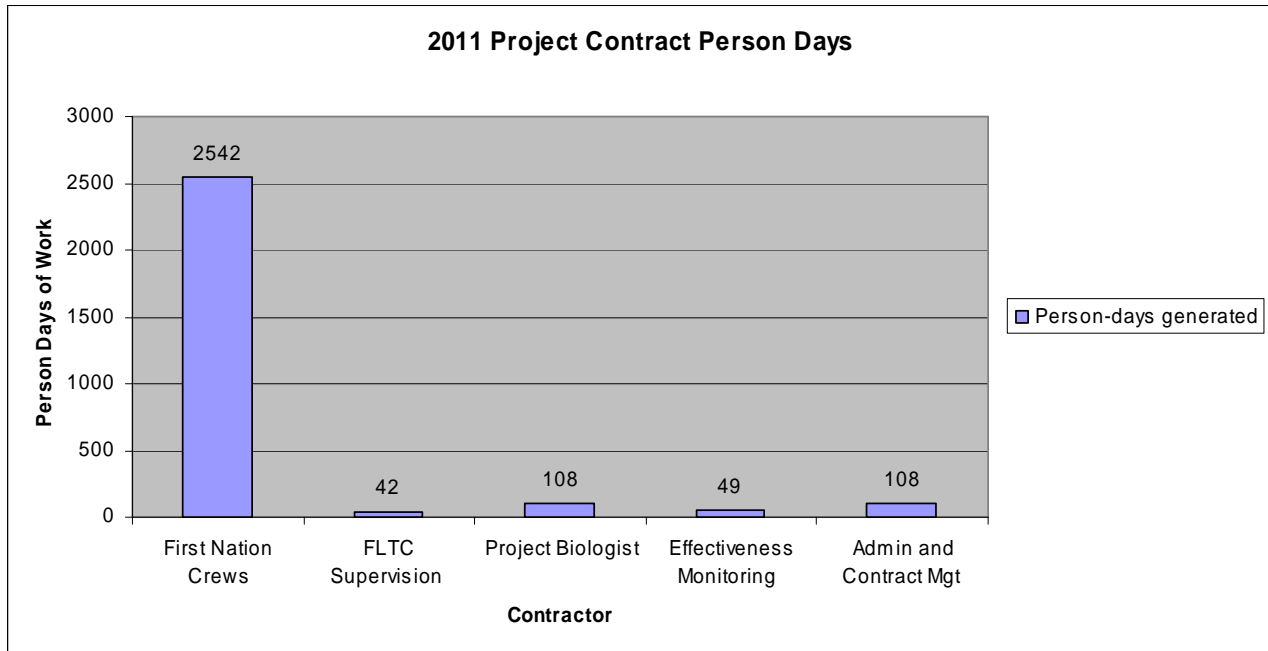
Contract start-ups were staggered to ensure there was enough post-harvesting treatment area to keep work crews operating without interruptions. Safety was a priority with all contractors and several prime contract agreements were signed where more than one contractor was operating within the same treatment area. Work crew activities included tree spacing, pruning, danger tree assessments

and treatment, debris piling, pile burning and grass seeding. Supervision was conducted by Stuwix Resource Joint Venture throughout the duration of all contract work. Prescription amendments, quality control and professional sign-off on completed ecosystem restoration work were completed by Forsite Consultants. Effectiveness monitoring was completed by Ferasilva Consulting.

**Table 1 Ecosystem Restoration Projects – Employment Creation**

Projects	Work Term	Employment-days generated	Percent PDs
First Nation Crews	July 2010 - Jan. 2011	2542	89%
FLTC Supervision	Aug 2010 - Jan 2011	42	1%
Project Biologist	June 2010 - Jan. 2011	108	4%
Effectiveness Monitoring	Aug 2010 - Sept 2010	49	2%
Admin and Contract Mgt	May 2010 - Jan 2011	108	4%
<b>Totals</b>		<b>2849</b>	<b>100%</b>

**Figure 2 Contract Person Days**



Total First Nation contract investments for ecosystem restoration activities ending January 2011 total \$592,000 or 80% of the total contract investments for ecosystem restoration.

**MOUNTAIN PINE BEETLE PLANNING WEBMAP (MPB VIEWER TOOL)**

In 2010, the NSIFS, Cascades Forest District and SIBAC revisited the Merritt TSA MPB Viewer Tool for upgrades and improvements to meet user needs. The existing NSIFS MPB platform and interface tools are out-dated and do not provide the reliability needed to meet information needs for



managing MPB. SIBAC and the Cascades Forest District provided the opportunity to take what currently works well on the existing NSIFS viewer tool and start building on a new, more stable platform that ensures reliable data storage and functionality for users.

SIBAC provided funding up to a maximum of \$25,000 for the project which involved developing a situation assessment, acquiring and updating spatial data layers (37 layers in total), setting up to 50 security user accounts, map layout that would accommodate sizes up to 34x44, data preparation and analysis, help documentation and presentation/training of the new spatial tool.

Future work on the database will provide reporting functionality for users to support timber and non-timber resource planning and management as a result MPB impacts.

## **NSIFS DATA MANAGEMENT**

The NSIFS currently retains TECO Natural Resource Group (formerly Timberline) as the data custodian and service provider of the NSIFS website platform. All IFPA licensee members, First Nations with interest in the Merritt TSA, BC Timber Sales, MoFR and MoE have log-on access to project documents in support of their management and planning requirements. Notices, Annual Reports, general society information are available to the public at the NSIFS website:

[www.nsifs.bc.ca/](http://www.nsifs.bc.ca/)

## **COMMUNICATION STRATEGIES**

In the past, Communications funding was provided to the NSIFS through an annual proposal application process with the MoFR Sothern Interior Region. In the past three years the NSIFS was denied approval for continued funding support given Provincial funding constraints. As a result, First Nations communications strategy was limited to the NSIFS TAC meetings and direct interaction with the NSIFS manager through First Nation project contracts.



## IFPA UPLIFT HISTORY AND AAC APPORTIONMENT

**Table 2. AAC Apportionment by Licensee**

IFPA Forest Licensees	Core AAC M <sup>3</sup>	January 1, 2004 IFPA Uplift AAC M <sup>3</sup>	July 13, 2005 IFPA Uplift AAC M <sup>3</sup>	Combined Core AAC and Uplift AAC's M <sup>3</sup>
Ardeew Wood Products Ltd.	35,100	19,015	10,354	64,469
Aspen Planers Ltd.	132,744	92,596	57,404	282,744
*Aspen/Stuwix	0	0	*190,000	190,000
Tolko Industries Ltd.	338,255	39,684	86,667	464,606
Weyerhaeuser Company Ltd.	413,556	0	70,575	484,131
Stuwix Resources Ltd.	950	179,405	85,000	265,355
<b>Subtotal</b>	<b>920,605</b>	<b>330,700</b>	<b>500,000</b>	<b>1,751,305</b>

\*Management Agreement between Aspen and Stuwix Resources Ltd (Aspen manages 190,000m<sup>3</sup>).

The NSIFS continues to work with the Ministry of Forests, Lands and Natural Resource operations (MFLNR) to ensure long-term sustainability of the existing AAC uplift and decisions regarding future uplifts and extensions to IFPA holders in the Merritt TSA. The NSIFS commitments are clearly identified in our Forestry Plan<sup>3</sup> and continue to guide our operations into the future. To date, all conditions from the original uplift are either met or ongoing through monitoring.

On March 22, 2006 the Merritt TSA operating area committee, which consists of all major licensees, had successfully developed and signed an operating area agreement. This agreement was a significant step forward in establishing an operating area for Stuwix Resources Ltd. allowing for independence and efficiencies in managing wood fibre needs within the Merritt TSA. It is important to note that all parties in this agreement negotiated in good faith and the arbitration process was never initiated.

<sup>3</sup> 2005 Forestry Plan II was submitted to the MOFR in September of 2005 and underwent MOFR review. The final approved version is available on the NSIFS website at <http://www.nsifs.bc.ca/>

## MPB HARVEST

The Merritt TSA is generally seeing a decline in the amount of green attack, but there continues to be some variability within the TSA. In the portion of the TSA North of Merritt the beetle has run its course and the large majority of Pine is red and grey attack with varying amounts of green within and no longer contains beetle. The majority of the Pine stands in the TSA south of Merritt have been infested with beetle to varying degrees and there remains a few isolated areas that are relatively green. Un-attacked, healthy stands are present and located primarily in the higher elevations of the TSA to the south.

### HARVEST PLANNING AND PRIORITIES

Harvest Priority continues to be concentrated on salvaging mountain pine beetle infested stands and reducing unsalvageable losses, however, an increasing focus is being directed at harvesting Spruce Beetle infested stands in the south and eastern portions of the TSA.

### HARVEST COMPLETED JAN.1-DEC31, 2010

By the end of 2010 the NSIFS licensees harvested a total volume of 2,035,201 m<sup>3</sup> which is 116% of the available AAC for the year. The 2010 harvest was approximately 9% greater than the 2009 harvest. These harvesting volumes are specific to the IFPA licenses and the actual harvest volume in the TSA was much higher due to smallwood licenses, small scale salvage and FRO and NRFL volumes. Considering the continuing soft market conditions experienced in the past year, this level of harvest (and recovery of damaged timber) is exceptional.

The total volume harvested was distributed across the following priority categories:

		2007	2008	2009	2010
MPB	Heavily <b>MPB</b> Infested	93%	90%	92%	81%
	<b>PI</b> Volume at Risk	3%	8%	1%	0%
	Blocks >70% PI	77%	84%	91%	72%
	HI + Vol@Risk ( <b>MPB</b> )	96%	98%	93%	81%
Other	Other Salvage (mostly Fire and Sx beetle)	3%	1%	3%	19%
	Other (green wood)	1%	0%	4%	0%

In 2010, harvesting was again directed into infested and damaged stands with very little volume reported as non-salvage. The amount of heavily infested PI volume dropped along with >70% PI stands, however, this was made up by the shift to spruce beetle infested stands and a minor

component of fire damaged timber. In total over 99% of harvesting was dedicated to salvaging damaged stands.

The total actual harvest volume in the TSA was much higher than indicated in this report due to smallwood licenses, small-scale salvage and FRO and NRFL volumes. Considering the poor market conditions experienced in the past year, this level of harvest (and recovery of damaged timber) has been exceptional.

### **2011 PLANNED HARVESTING**

At this point in time, it is unclear how the recent TSA reduction in cut of 14% will impact the NSIFS licensees; however, for 2011, NSIFS licensees will continue to maximize the available AAC in a continuing effort to target priority stands. In the short term, the MPB expansion has subsided, but there continues to be a significant volume of susceptible pine remaining. Spruce beetle is also clearly on the rise that requires aggressive harvesting resources to ensure infested stands are logged prior to deterioration of the sawlog fibre. It is anticipated that greater than 90% of harvesting in 2011 will be in heavily infested or damaged stands.

## **FIRST NATIONS**

### **NSIFS Co-management of Forest Resources**

First Nation community involvement in the co-management of forest resources is essential to developing sound strategies and project ideas that support the NSIFS Strategic Objectives. In ensuring cultural-heritage and other resource values are addressed up front in the NSIFS planning process, the following First Nations are represented on the NSIFS TAC:

- Coldwater, Siska, Cook's Ferry bands through Esh-kn-am,
- Shackan, Nicomen, Nooaitch bands through the NTA,
- Upper Nicola Indian Band,
- Lower Nicola Indian Band,
- Upper Similkameen Indian Band, and
- Lower Similkameen Indian Band.

The TAC has representation from both the First Nations communities and IFPA licensees to support the NSIFS Vision statement, objectives and implementation of the Forestry Plan. A key component in the delivery of the Forestry Plan is the concept of co-management of natural resources. The eight First Nations communities that are legal members of the NSIFS have always maintained a close relationship to the land for sustenance, shelter, medicine, and spirituality. One of the key strategies in co-management of forest resources include the incorporation of First Nations' land interests into forest management. Incorporation of First Nations' land interests with Merritt TSA forest management priorities builds on the TSA's innovative approach to sustainable forest management planning.

The NSIFS has been working closely with First Nations communities in the Merritt TSA in developing the NSIFS sustainable forest management strategies (SFMS) database. This work includes First Nations projects such as archaeological overview assessments, cultural modeling of wildlife and plant species, and TSA-level strategic planning. Essentially, these projects demonstrate collection of cultural and heritage information with the objective to integrate First Nations' interests with forest management planning.

### **SUCCESS HIGHLIGHTS WORKING WITH FIRST NATIONS**

#### ***2010 – Ecosystem Restoration and First Nation Employment Creation***

*The NSIFS invests seventy-five percent of their project funding directly to First Nation worker opportunities creating 2,584 person-days of employment.*

#### ***2005- 2009: Cultural Modeling***

*Forty percent of 2009 investments were made towards Cultural Modeling projects.*

#### ***1998- 2009: Archaeological Overview Assessments***

*Seventeen percent of 2009 investments were made towards AOA Refinement projects.*

#### ***1998- 2006: Ecological Modeling***

*In total 187 interim ecological plant and wildlife species models were completed by First Nations.*

### **FIRST NATIONS ECONOMIC OPPORTUNITIES**

Non-timber forest products continue to be an important economic component for First Nations communities in the Merritt TSA. Opportunities for economic and cultural revitalization exist in the enhancement and development of non-timber forest products.

In 2002, the Siska Band established the “Siska Traditions Society”. The Society focuses on social, economic and environmental values in support of the non-timber forest products they offer. All products are based on traditional use by the Nlaka'pamux Nation, examples below:

- Jams and jellies (Blackcap, Golden Mint, Green mint)
- Teas (nettle, raspberry and yarrow)
- Soaps (cedar, juniper, sage)
- Healing Salves (balsam root, oregon grape)
- Arnica Oil

NSIFS supports these economic opportunities by providing the knowledge and tools to manage for non-timber forest products.





### **BENEFITS TO FIRST NATIONS**

**Employment:** This uplift volume has resulted in increased opportunities and employment for First Nations. First Nation's jobs are directly dependent on the uplift volume as indicated by Table 4. In 2010-2011 fiscal year, 12,569 total person days of First Nation employment was created as a result of the NSIFS uplifts. This consisted of 8,348 days in logging and hauling, 520 in road construction, deactivation, and maintenance, 2,342 in planning, and 1,359 in post harvest work. First Nations have become a significant employment force in the Merritt TSA contributing in all phases of Forest Management.

**Table 4. – Summary of First Nations Employment Numbers.**

Summary of AAC and Current Employment							Actual Person Days For First Nation's Employment for IFPA Uplift Volumes Only (Person day=8hrs)				Total Person Days:
LICENSEE	Core AAC FL M3	% of Total TSA AAC	IFPA AAC Uplift Jan1,2004	IFPA AAC Beetle Uplift July13,2005	Volume Changes due to secondary agreements	IFPA AAC Uplift Total	Actual Person Days: Logging and Hauling	Actual Person Days: Road Construction, Deactivation and Maintenance	Actual Person Days: Pre Harvest - Blk layout, cruising, engineering, FDP, SP	Actual Person Days: Post Harvest - slashing, spacing, planting, site prep and surveys	
ARDEW A18039	35,100	3.49%	19015	10354	0	29,369	58	0	8	133	199
ASPEN A18695	132,744	13.19%	16,535	57,404	276,061	350,000	3306	267	1054	458	5085
RIVERSIDE* (now Tolko)	0	0.00%	3307	4333		7,640	0	0	0	0	0
TOLKO A18696	393,954	39.15%	36377	82334	0	118,711	1272	43	0	252	1567
WEYCO A18698	443,556	44.08%	76061	70575	-76,061	70,575	1334	30	0	0	1364
STUWIX A65006	950	0.09%	179405	275000	-200000	254,405	2378	180	1280	516	4354
<b>Totals</b>	<b>1,006,304</b>	<b>100.00%</b>	<b>330,700</b>	<b>500,000</b>	<b>0</b>	<b>830,700</b>	<b>8,348</b>	<b>520</b>	<b>2,342</b>	<b>1,359</b>	<b>12,569</b>

**APPENDIX 1 - 2010 FISCAL YEAR-END INCOME SUMMARY AND BALANCE STATEMENT**

**Income Summary**

<b>REVENUE</b>	<b>Actual</b>	<b>Budgeted</b>
Forest Investment - JOP	\$ 274,575.66	\$ 274,575.66
CAF Funding Revenue	\$ 354,515.00	\$ 354,515.00
Cascades FD Revenue	\$ 44,241.85	\$ 44,241.85
Non FIA-SIBAC & SFM Workshop	\$ 25,956.08	\$ 25,956.08
Board of Directors Investments	\$ 46,615.73	\$ 46,615.73
<b>Revenue</b>	<b>\$ 745,904.32</b>	<b>\$ 745,904.32</b>
<b>Other Revenue</b>		
Interest Revenue	\$ -	\$ -
<b>Total Other Revenue</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL REVENUE</b>	<b>\$ 745,904.32</b>	<b>\$ 745,904.32</b>
<b>EXPENSE</b>		
<b>Targeted Funded Projects</b>		
CAF Ecosystem Restoration	\$ 354,514.52	\$ 354,514.52
Cascades FD Ecosystem Restoration	\$ 44,241.19	\$ 44,241.19
JOP Ecosystem Restoration	\$ 274,575.66	\$ 274,575.66
<b>Total Targeted Funded Project Expenses</b>	<b>\$ 673,331.37</b>	<b>\$ 673,331.37</b>
<b>Non-FIA Funded Projects</b>		
Annual Report (2010)	\$ 1,331.25	\$ 1,331.25
Website Development / Hosting	\$ 190.00	\$ 5,120.00
SFM Workshop	\$ 856.08	\$ 956.08
SIBAC	\$ 24,999.92	\$ 25,000.00
<b>Total Non-FIA Eligible Projects</b>	<b>\$ 27,377.25</b>	<b>\$ 32,407.33</b>
<b>Society Costs</b>	<b>\$ 27,986.43</b>	<b>\$ 23,857.00</b>
<b>TOTAL EXPENSE</b>	<b>\$ 728,695.05</b>	<b>\$ 729,595.70</b>
<b>NET INCOME</b>	<b>\$ 17,209.27</b>	<b>\$ 16,308.62</b>

**Balance Statement**

<b>ASSETS</b>		
<b>Current Assets</b>		
Royal Bank Chequing	\$ 6,252.40	
CAF Bank Account	\$ -	
<b>Total Cash</b>		<b>\$ 6,252.40</b>
Accounts Receivable	\$ 2,136.84	
<b>Total Receivable</b>		<b>\$ 2,136.84</b>
Prepaid Insurance	\$ 1,357.07	\$ -
Holdback Receivable	\$ -	\$ 1,357.07
<b>Total Current Assets</b>		<b>\$ 9,746.31</b>
<b>TOTAL ASSETS</b>		<b>\$ 9,746.31</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable		\$ 4,804.81
Holdback Payable		\$ -
GST Owing (Refund)		\$ -
<b>Total Current liabilities</b>		<b>\$ 4,804.81</b>
<b>TOTAL LIABILITIES</b>		<b>\$ 4,804.81</b>
<b>EQUITY</b>		
<b>Retained Earnings</b>		
Retained Earnings - Previous Year		\$ (12,267.77)
Current Earnings (from Income Statement)		\$ 17,209.27
<b>Total Retained Earnings</b>		<b>\$ 4,941.50</b>
<b>TOTAL EQUITY</b>		<b>\$ 4,941.50</b>
<b>LIABILITIES AND EQUITY</b>		<b>\$ 9,746.31</b>



## APPENDIX 2 - FUNDING SUMMARIES

Funding Summary Nov 1998 to March 31, 2010 NSIFS Key Projects, all figures represent dollar value investments.

<b>NSIFS PROGRAM</b>	<b>98/99 Fiscal</b>	<b>99/00 Fiscal</b>	<b>00/01 Fiscal</b>	<b>01/02 Fiscal</b>	<b>02/03 Fiscal</b>	<b>03/04 Fiscal</b>	<b>04/05 Fiscal</b>	<b>05/06 Fiscal</b>	<b>06/07 Fiscal</b>	<b>07/08 Fiscal</b>	<b>08/09 Fiscal</b>	<b>09/10 Fiscal</b>	<b>10/11 Fiscal</b>
ENVIRONMENTAL	198,000	418,399	394,546	671,715	395,000	76,400	35,000	325,000	213,967	202,735	193,560	125,825	148,073
PEM	157,000	583,679	426,049	390,328	165,000	-	-	10,000	153,364	-	-	-	
FIRST NATIONS	23,000	316,668	547,441	403,224	496,000	297,000	435,000	227,000	364,246	375,256	328,648	222,562	525,271
ADMINISTRATION	76,000	244,057	293,680	354,671	212,000	214,424	185,000	145,000	118,630	135,175	91,408	60,592	27,986
NSIFS WEBSITE												3,830	25,190
PROPOSALS and ANNUAL REPORT												6,920.25	2,287
R/L/Silv	12,000	33,274	216,374	153,877	-	-	-	-	-	-	-	-	
ANALYSIS	2,000	212,828	19,344	100,519	112,000	115,845	10,000	10,000	30,000	4,239	40,914	101,477	
GROWTH & YIELD	59,000	147,828	284,732	313,038	35,000	-	35,000	10,000	22,262	91,454	8,044	-	
INVENTORY	-	141,872	242,318	26,426	55,000	-	45,000	60,000	33,114	-	-	23,818	
COMMUNICATION	-	27,863	126,551	165,039	2,000	-	15,000	20,000	30,000	12,285	34,934	-	
GIS CENTRAL DATA	52,000	-	156,287	96,718	22,000	8,000	15,000	10,000	19,584	26,070	24,726	27,435	
<b>TOTALS</b>	<b>579,000</b>	<b>2,126,472</b>	<b>2,707,326</b>	<b>2,675,558</b>	<b>1,494,000</b>	<b>711,669</b>	<b>775,000</b>	<b>817,000</b>	<b>985,167</b>	<b>847,214</b>	<b>722,234</b>	<b>572,459</b>	<b>728,807</b>

**APPENDIX 3 - NSIFS IN KIND CONTRIBUTION SUMMARY**

Apr 1, 2010 to March 31, 2011

In Kind Contribution	Tech Support (person days)	BOD Support (person days)	Total Person Days	In Kind Contribution	Cash Contribution	Comments
MoFR	28		28	\$16,800.00	\$ -	MoFR support for ER and SIBAC
MoE	2		2	\$1,200.00	\$ -	TAC meeting participation
BCTS	2	6	8	\$4,800.00	\$ 5,241.65	BoD and TAC mtg participation and Cash contribution
NTA	2	1	3	\$1,800.00	\$ -	BoD, TAC participation
USIB	0	0	0	\$0.00	\$ -	
UNIB	2	NTA	2	\$1,200.00	\$ -	TAC participation
LNIB	0	NTA	0		\$ -	
Coldwater, Siska, Cook's Ferry (Esk-kn-am)	2	NTA	2	\$1,200.00		TAC participation
Weycan	2	6	8	\$4,800.00	\$ 11,437.53	BoD and TAC mtg participation and Cash contribution
Ardew	2	6	8	\$4,800.00	\$ 1,523.07	BoD and TAC mtg participation and Cash contribution
Aspen	4	8	12	\$7,200.00	\$ 11,168.51	BoD participation and cash call, CAF support, MPB Annual Reporting
Tolko	2	5	7	\$4,200.00	\$ 10,976.25	BoD and TAC mtg participation and Cash contribution
Stuwix	0	2	2	\$1,200.00	\$ 6,268.97	BoD and TAC mtg participation and Cash contribution
<b>Totals</b>	<b>48</b>	<b>34</b>	<b>82</b>	<b>\$ 49,200.00</b>	<b>\$ 46,615.73</b>	

Figures above are based on annual participation of the Executive and TAC Members

An all-found average of \$600/day was used in determining In-kind contributions

**APPENDIX 4 - SUMMARY OF MERRITT TSA UPLIFT HARVESTING**

	Core AAC m <sup>3</sup>	Jan 1, 2004 IFPA uplift m <sup>3</sup>	July 13, 2005 IFPA uplift m <sup>3</sup>	Total AAC m <sup>3</sup>	Planned cut 2009 m <sup>3</sup>	Actual Cut 2009 m <sup>3</sup>	2009 % of Plan
Aspen	132,744	92,596	57,404	282,744	282,000	285,523	101%
Aspen/Stuwix		0	190,000	190,000	275,000	268,031	97%
Weyerhaeuser	413,556	0	70,575	484,131	484,000	429,204	89%
Stuwix	950	179,405	85,000	265,355	250,000	316,855	127%
Tolko	338,255	39,684	86,667	464,606	550,000	548,268	100%
Ardew	35,100	19,015	10,354	64,469	80,000	16,383	20%
<b>Total</b>	<b>920,605</b>	<b>330,700</b>	<b>500,000</b>	<b>1,751,305</b>	<b>1,921,000</b>	<b>1,864,264</b>	<b>97%</b>

Figures reported as of January 31, 2010

## APPENDIX 5 - NSIFS MEMBERSHIP

### Board of Directors

<b>Jerry Canuel</b> <b>(Chairperson)</b>	Aspen Planers PO Box 160 Merritt, British Columbia V1K 1B8 <a href="mailto:jerrycanuel@apgroup.ca">jerrycanuel@apgroup.ca</a>	(250) 378-9266 W (250) 315-4239 Fax (250) 315-5103 Cell
<b>Dave Walkem</b> <b>(Co-Chair)</b>	Stuwix Investments Ltd Cooks Ferry Band P.O. Box 130 Spences Bridge, British Columbia V0K 2L0 <a href="mailto:dwalkem@cooksferry.ca">dwalkem@cooksferry.ca</a>	(250) 378-4235 W (250) 378-9119 (250) 458-2224 H (250) 319-7884 C
<b>Corey Kuromi</b> <b>(Secretary Treasurer)</b>	Ardew Wood Products Box 280, Merritt, BC V1K 1B8 <a href="mailto:ckuromi@ardew.com">ckuromi@ardew.com</a>	(250) 378-6161 W (250) 378-6313 F
<b>Tony Buckley</b>	Ministry of Forests, BC Timber Sales 1265 Dalhousie Drive Kamloops, British Columbia V2C 5Z5 <a href="mailto:tony.buckley@gems1.gov.bc.ca">tony.buckley@gems1.gov.bc.ca</a>	(250) 371-6523 W (250) 828-4627 F
<b>David Bickerton</b>	Tolko Industries Ltd. Box 39 Merritt BC V1K 1B8 <a href="mailto:David.Bickerton@tolko.com">David.Bickerton@tolko.com</a>	(250) 378-1241 W (250) 378-7440 C
<b>Rob Marshall</b>	Weyerhaeuser (Princeton) Box 550 Princeton, British Columbia VOX 1W0 <a href="mailto:rob.marshall@weyerhaeuser.com">rob.marshall@weyerhaeuser.com</a>	(250) 295-3281 W (250) 295-3287 F
<b>Carmeletta Holmes</b>	Upper Similkameen Band Band Councilor Box 310 Keremeos, British Columbia VOX 1N0 <a href="mailto:cholmes@usib.ca">cholmes@usib.ca</a>	(250) 499-2221 W (250) 499-5117 F
<b>Lennard Joe</b>	Nicola Tribal Association c/o Grizzly Man Resource Management Box 2128 Merritt, BC V1K 1B8 <a href="mailto:ljoe@grizzlyman.ca">ljoe@grizzlyman.ca</a>	(250) 378-6800 (250)-378-9262 F

## ALTERNATE MEMBERS

<b>Brian Drobe</b>	Weyerhaeuser (Princeton) Box 550 Princeton BC V0X 1W0 <a href="mailto:brian.drobe@weyerhaeuser.com">brian.drobe@weyerhaeuser.com</a>	(250) 295-3281 W (250) 295-3287 F
<b>Erik Norgaard</b>	ArdeW Wood Products Box 280 1195 Douglas Street Merritt B.C. V1K 1B8 <a href="mailto:enorgaard@ardew.com">enorgaard@ardew.com</a>	(250) 378-6161 W (250) 378-6313 F
<b>Tom Lewis</b>	Ministry of Forests, BC Timber Sales 1265 Dalhousie Drive Kamloops, B.C. V2C 5Z5 <a href="mailto:Tom.Lewis@gems8.gov.bc.ca">Tom.Lewis@gems8.gov.bc.ca</a>	(250) 371-6523 W (250) 828-4627 F (250) 318-4469 C
<b>Kevin Gayfer</b>	Aspen Planers – Merritt Box 160 Merritt BC V1K 1B8 <a href="mailto:kevingayfer@apgroup.ca">kevingayfer@apgroup.ca</a>	(250) 378-9266 W (250) 315-4239 F
<b>Michael Bragg</b>	Tolko Industries Ltd. 6275 Yellowhead hwy Kamloops, BC V2H 1T8 <a href="mailto:Michael.Bragg@tolko.com">Michael.Bragg@tolko.com</a>	(250) 578-2181 W (250) 578-8655 F
<b>Tim Manuel</b>	NTA (UNIB) Box 3700 Stn Main, Merritt, BC V1K 1B8 Send Attention: Tim Manuel <a href="mailto:tmanuel@uppernicolaband.com">tmanuel@uppernicolaband.com</a>	(250) 350-3342 W (250) 350-3311 F
<b>Fred Sampson</b>	Stuwix Investments Ltd. Siska Band 21 Siska siding Road PO Box 642 Lytton BC VOK 1Z0 <a href="mailto:siskaib@hughes.com">siskaib@hughes.com</a>	(250)-455-2219
<b>Sandy White</b>	USIB Capacity Forest Management Ltd. 1761A Redwood St. Campbell River, BC V9W 3K7 <a href="mailto:Sandywhite@capfor.ca">Sandywhite@capfor.ca</a>	(250) 287-2120 W (250) 287-2125 F

**NSIFS SUPPORT PERSONNEL**

**CEO/Management**

**Glenn Thiem, RFT**

Funding Program Coordinator

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**Accountant/Auditor**

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Daley and Company

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