

Forest Enhancement Society of BC

2024/25
Annual Service Plan Report

August 2025



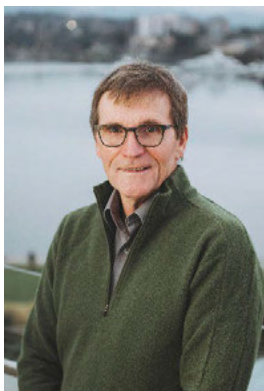
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Or visit our website at: <https://fesbc.ca/>

Published by the Forest Enhancement Society of BC

Board Chair's Accountability Statement



The Forest Enhancement Society of BC 2024/25 Annual Service Plan Report compares the organization's actual results to the expected results identified in the 2024/25 – 2026/27 Service Plan published in 2024. The Board is accountable for those results as reported.

Signed on behalf of the Board by:

A handwritten signature in black ink, which appears to read "Ken Day". The signature is stylized and fluid.

Ken Day
Board Chair, Forest Enhancement Society of BC
August 12, 2025

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Letter from the Board Chair

This Report covers the Service Plan period April 1, 2024, to March 31, 2025.

I am pleased to share the work accomplished through the Forest Enhancement Society of BC (FESBC) in this report. In the fiscal year ended March 31, 2025, FESBC funded work valued at \$55.38 million on 157 projects located in all eight Natural Resource Regions of B.C. This work was achieved while keeping forest worker safety as a paramount priority.

FESBC funded projects addressed the Province's priorities, including:

- Increasing participation of First Nations in the forest economy,
- Assisting with wildfire recovery efforts and risk reduction,
- Contributing to the achievement of greenhouse gas emission reduction targets,
- Improving habitat for wildlife,
- Improving the recovery of low-value fibre, and
- Adding to the environmental sustainability of B.C.'s natural resources.

Going forward, FESBC will continue to contribute to the achievement of the Province's priorities by supporting forest improvement projects across B.C.

I want to thank the Province, the FESBC Board of Directors, the staff at FESBC, and the many local project leaders for their enthusiastic commitment to our society, which is key to the success of delivering these significant benefits for British Columbians, now and for generations to come.



Ken Day
Board Chair, Forest Enhancement Society of BC
August 12, 2025

Purpose of the Annual Service Plan Report

This annual service plan report has been developed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, a Minister Responsible for a government organization is required to make public a report on the actual results of that organization's performance related to the forecasted targets stated in the service plan for the reported year.

Strategic Direction

The strategic direction set by the Government in [2021 Mandate Letter](#) and expanded upon in the [2022 Letter of Direction](#) and the Board Chair's [2023 Mandate Letter](#) from the Minister Responsible, shaped the goals, objectives, performance measures and financial plan outlined in the [FESBC 2024/25 – 2026/27 Service Plan](#) and the actual results reported on in this annual report.

Purpose of the Organization

FESBC contributes to the achievement of the Province's strategic priorities through the delivery of FESBC's constitutional purposes, which are the following:

- Prevent and mitigate the impact of wildfire,
- Improve damaged or low-value forests,
- Improve habitat for wildlife,
- Support the use of fibre from damaged and low-value forests, and
- Treat forests to improve the management of greenhouse gas (GHG) emissions.

FESBC operates on a proponent-driven model, inviting project funding applications, which are then reviewed with input from the [Ministry of Forests](#). Professional staff ensure project proposals are aligned with FESBC's purposes and the Province's priorities. FESBC works with service delivery partners to ensure project implementation and treatment on the land base is timely, efficient and provides value for money.

In addition to advancing FESBC's constitutional purposes, FESBC contributes to the achievement of the [Minister of Forest's Mandate Letter](#) priorities by reducing the wildfire risk to communities, accelerating B.C.'s transition to a larger [bioeconomy](#), and reducing greenhouse gas emissions from forestry activities. Together, these activities create multiple economic, social and environmental benefits such as contributing to rural economies, generating employment in the natural resource sector, including jobs in the secondary forest industries, while also supporting the achievement of provincial and federal climate change objectives, including those identified in the Province's [Clean BC Roadmap to 2030](#) plan.

FESBC ensures successful and efficient completion of projects. This effective and diligent oversight ensures FESBC maximizes the full benefit and full alignment with the Province's

strategic priorities of putting people first, meaningful reconciliation with Indigenous Peoples, and supporting a strong, sustainable economy in B.C. FESBC continues to communicate its plans and achievements to stakeholders and the public, recognizing the contributions by the Province and Ministry of Forests staff to the success of the program.

FESBC supports the implementation of the [Declaration on the Rights of Indigenous Peoples Act](#), the [United Nations Declaration of the Rights of Indigenous Peoples](#), and the objectives outlined in the Province's [Stronger BC Economic Plan](#). Projects approved through FESBC support true and lasting reconciliation by increasing First Nations' participation in the forest economy.

Operating Environment

FESBC funded projects play an important role in supporting the long-term economic health of B.C.'s rural and forest-dependent communities, helping them be more resilient to economic challenges and shifts. FESBC is aware of a host of external factors that may impact the environment in which project proponents operate in and potentially influence their ability to achieve project objectives.

The economic challenges facing the forest sector continue to impact forestry dependent communities across B.C. Operational uncertainties related to the threats of US tariffs, a strained timber supply and timely approvals are impacting the industry. These uncertainties have, in some cases, challenged project proponents' ability to complete projects within the specified timeframes. Additionally, contractors struggle to maintain crews under the current labour climate, which is impacting all phases of the forest industry including pre-harvest planning, harvest operations and post-harvest activities. To help mitigate this, FESBC closely monitors projects and re-allocates funds to project proponents impacted by these issues where necessary and appropriate.

Climate change also continues to have a significant impact on B.C.'s land base and communities, as the scale and severity of wildfire activity and the potential for more frequent flood events continue to occur. The impact of catastrophic disturbances such as wildfires, floods, and the lingering impacts from the most recent mountain pine beetle infestation and the resulting losses to timber supply, are reducing the overall forest asset value in the province. Persistent and severe wildfire conditions are also reducing the field season for proponents, adding to operational challenges that are slowing the completion of some projects.

In response, FESBC works collaboratively with provincial agencies, local governments, Indigenous communities and partners, and rural communities to support wildfire risk reduction and mitigation activities. Proactive wildfire risk reduction treatments and [FireSmart BC](#) projects aimed to mitigate the negative impact of wildfires on rural and Indigenous communities were funding priorities for FESBC in 2024/25. FESBC is also promoting the harvest and utilization of wildfire-damaged timber and biomass; and supporting proponents with innovative approaches that are helping overcome operational barriers to utilize this new fibre source. This paradigm shift has required ongoing strong collaboration with the Ministry of Forests to obtain appropriate authorizations. These projects have created important job opportunities for workers in these rural communities, as well as learning opportunities for FESBC to further improve project implementation.

First Nations have shown a desire to participate in B.C.'s forest economy more fully and FESBC funding supports the acceleration of this transition. In 2024/25, First Nations-owned companies were active on 56 FESBC funded projects. All of these projects produce an array of environmental, economic and social benefits including the creation of forestry jobs adjacent to First Nation communities in remote parts of the province. This work is critical as FESBC looks to fulfill the obligations under the [Declaration Act Action Plan](#).

FESBC recognizes the unique cultures, rights, and historical contexts of First Nations in B.C. Following a distinctions-based approach, FESBC's strategy is to respect, respond, and abide by the unique needs and aspirations of First Nations communities across the province. FESBC also remains committed to engaging in meaningful and respectful communications with each community, facilitating a partnership that honours their cultures and supports their self-determined goals. This approach ensures that FESBC's services are not only culturally appropriate but also effectively aligned with the distinct legal, social, and economic conditions experienced by First Nations. By tailoring its services in this manner, FESBC fosters an environment of trust, collaboration, and mutual respect, paving the way for more sustainable and beneficial economic and social outcomes with respect to community protection and well-being.

Economic Statement

After several years of strong growth, economic activity in British Columbia moderated in 2024 amid high interest rates, persistent price pressures, and ongoing global economic uncertainty. B.C.'s real GDP increased by 1.2 per cent in 2024 and ranked 8th (tied with Ontario) among the provinces following growth of 2.4 per cent in 2023. Last year, economic growth was driven by B.C.'s service-producing industries such as real estate, rental and leasing; health care and social assistance services; transportation and warehousing; public administration; and educational services. Output for goods-producing industries declined in 2024 due to lower construction and manufacturing activity, which was partly offset by growth in the mining, quarrying and oil and gas extraction; utilities; and agriculture, forestry, fishing and hunting sectors.

B.C.'s labour market continued to expand in 2024. Employment in B.C. increased by 66,100 jobs (+2.3 per cent), supported by high immigration, and wages and salaries rose by 6.3 per cent. B.C.'s unemployment rate averaged 5.6 per cent in 2024, up from 5.2 per cent in 2023 as strong population and labour force growth outpaced job gains. Elevated interest rates, rising construction costs, and ongoing labour shortages weighed on the construction sector last year. Housing starts totaled 45,828 units in 2024, down 9.2 per cent from the record high in 2023, but remained above the ten-year historical average. B.C. home sales increased by 2.1 per cent and the average home sale price increased by 1.0 per cent compared to 2023. Price pressures in B.C. continued to broadly moderate last year, but shelter price growth remained elevated. Overall, B.C.'s inflation rate averaged 2.6 per cent in 2024, down from 3.9 per cent in 2023. Despite strong population growth, nominal retail sales increased by just 0.6 per cent in 2024, following a 0.1 per cent decline in 2023. On the trade front, weak global demand and lower commodity prices (primarily natural gas and coal prices) last year contributed to a 2.7 per cent decline in B.C.'s merchandise exports relative to 2023 despite increased exports to non-U.S. destinations including China, South Korea, and Australia.

Report on Performance: Goals, Objectives, and Results

The following goals, objectives and performance measures have been restated from the 2024/25 – 2026/27 service plan. For forward-looking planning information, including current and future performance targets, please see the [2025/26 – 2027/28 service plan](#).

Goal 1: Prevent and Mitigate the Impact of Wildfire

Objective 1.1: Enhance wildfire risk reduction activities for B.C. communities

By investing in planning and developing treatment alternatives on the land-base that surround B.C. communities, forest fuel hazards can be modified in a way that improves ecosystem resilience to fire, insects, and future impacts from climate change. The strategy of returning forests to their normal historical fire regimes through treatments can minimize future extreme wildfire effects.

Key results

- Continued to support the BC FireSmart Committee by contributing to the implementation of the [FireSmart BC 2022 – 2025 Strategic Plan](#).
- Enabled proponents to plan and implement wildfire risk reduction treatments in adjacent forested areas surrounding 53 communities.
- Funded 80 wildfire risk reduction projects, reducing wildfire risk on approximately 4,890 hectares of forest adjacent to communities and high value infrastructure.
- Utilized over 31,000 cubic metres of low-value residual fibre that would have otherwise been burnt.

Summary of progress made in 2024/25

In 2024/25, FESBC continued to focus on its goal of preventing and mitigating the impact of wildfire through investments in both fuel management planning activities and treatments that reduce wildfire risk to B.C. communities. FESBC funded 80 wildfire risk reduction projects with 53 communities in 2024/25.

Projects included removing dead and down material, thinning and pruning forests adjacent to communities and valuable infrastructure to reduce fire behaviour, thinning forests adjacent to important public roads, and thinning forests to create landscape level fuel breaks. In the community of Williams Lake, the Williams Lake First Nation led multiple projects aimed at creating landscape level fuel breaks identified in locally created strategic plans. In Kimberley, the local municipality managed thinning activities in strategic locations to the southwest of the town that will buffer the community from wildfire originating from the St. Mary's valley.

Performance measure(s) and related discussion

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
1.1 Priority area of fuel management treatment activities completed (hectares) ^{1,2}	6,334	5,450	4,890

Data source: PwC financial data, FESBC Information Management System (FESIMS) Data, and FESBC staff input.

¹PM 1.1 targets for 2025/26 and 2026/27 were stated in the 2024/25 – 2026/27 service plan as 2,100 and 2,650 respectively.

²Targets were based on proponent project plan data entered into FESIMS and estimates of future project plans to be developed by FESBC staff.

Performance measures 1.1 demonstrate progress towards FESBC's goal of preventing and mitigating the impact of wildfire through investments in fuel management planning and treatments in high priority areas near communities and critical infrastructure.

In 2024/25 FESBC supported the completion of almost 4,900 hectares of fuel management activities, equivalent to 12 times the size of Stanley Park. Proponents completed approximately 400 hectares less prescriptions than originally proposed due to unforeseen operational challenges that pushed work forward to 2025/26.

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
1.2 Volume of residual fibre utilized from wildfire risk reduction activities (cubic metres)	6,410	8,000	31,300

Data source: PwC financial data, FESBC Information Management System (FESIMS) Data, and FESBC staff input.

¹This performance measure was removed from the 2025/26 – 2027/28 service plan.

Performance measure 1.2 identifies the projected opportunity for recovery and utilization of residual fibre as pulp or biofuel that is created through thinning activities related to wildfire risk reduction activities, and the associated reduction of greenhouse gas emissions.

This performance measure target was exceeded this year, as two projects in the Cariboo region delivered significantly more biomass than what was estimated from the prescriptions. Most of this fibre was delivered to energy facilities in Williams Lake.

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
1.3 Number of higher-risk communities with wildfire risk reduction activities.	42	40	53

Data source: PwC financial data, FESBC Information Management System (FESIMS) Data, and FESBC staff input.

¹PM 1.1 targets for 2025/26 and 2026/27 were stated in the 2024/25 – 2026/27 service plan as 25.

²Targets were based on proponent project plan data entered into FESIMS and estimates of future project plans to be developed by FESBC staff.

Performance measure 1.3 tracks the number of communities around which wildfire risk reduction activities have occurred such as planning, community engagement, and the thinning, pruning and abatement of fuel in some cases by utilizing fibre.

Results exceeded the target due to the completion of projects that were carried forward from the 2023/24 fiscal year. Additional benefits were also realized, as, some projects were implemented around infrastructure and houses outside municipal boundaries, benefiting citizens of communities nearby.

Goal 2: Increase Utilization of Low-Value Forest Residuals

Objective 2.1: Encourage diversity and innovation by the forest sector to utilize uneconomic waste fibre

Almost all wood fibre from conventional timber harvesting that is not economic to use is piled and burned in the forest to reduce wildfire risk. Wood fibre is uneconomic if it is too small to make higher value wood products such as lumber, has defects such as rot, large knots, or being crooked, or is too expensive to ship because of distance to suitable manufacturing facilities.

By providing support such as funds for the additional transportation costs needed to have this material shipped to secondary forest products facilities, FESBC is creating more opportunities for fibre utilization and recovery. Supplying raw materials to energy producers, pulp plants and pellet plants helps create economic activity and preserve forest sector jobs while making a significant contribution to efforts to mitigate management-caused greenhouse gas emissions.

Key results

- Supported 73 fibre utilization projects that utilized over 2.3 million cubic metres of residual wood fibre that would have otherwise been burned.
- Funded fibre utilization projects in all eight [Natural Resource Regions](#), which delivered fibre to over 17 different secondary manufacturing facilities.

Summary of progress made in 2024/25

In 2024/25, FESBC funded projects and delivered programs that supported the Province's goal to increase the fibre supply available to the secondary milling industry, while also mitigating wildfire risks and reducing carbon emissions.

Projects included the transportation of low-value fibre from distant locations to pulp mills on the Coast and in the Interior. Some of this fibre was transported to pulp mills through innovative transportation such as by train. Other fibre came from eight-year-old burned areas that were undergoing wildfire rehabilitation activities. In addition, in keeping with the previous years, some of the fibre came from the grinding of logging waste piles which was delivered as hog fuel (an unrefined mix of coarse chips of bark and wood fibre) to energy and pellet plants in the Interior region of B.C.

These projects are designed to reduce greenhouse gas emissions through the utilization of post-harvest residual fibre that would otherwise have been burned. These actions are in alignment with the provincial [Forest Carbon Strategy](#) and [CleanBC Roadmap to 2030](#).

Performance measure(s) and related discussion

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
2.1 Forest fibre utilized (cubic metres)	1,651,000	1,500,000	2,364,000

Data source: PwC financial data, FESBC Information Management System (FESIMS) Data, and FESBC staff input.

¹PM 1.1 targets for 2025/26 and 2026/27 were stated in the 2024/25 – 2026/27 service plan as 320,000 and 300,000 respectively.

²Targets were based on proponent project plan data entered into FESIMS and estimates of future project plans to be developed by FESBC staff.

To support forest-dependent communities and encourage diverse and innovative economies throughout B.C., FESBC supported the implementation of fibre recovery and utilization projects throughout the province. This performance measure tracks the volume of fibre utilized through those activities.

In 2024/25 FESBC supported the utilization of over 2.3 million cubic metres of forest fibre, which is the equivalent of approximately 46,000 logging truckloads. A number of factors contributed to FESBC's achievement of this performance measure including lower than expected transportation costs, reallocation of funds from other objectives (primarily unfinished wildfire risk reduction projects), and generally good performance and innovation by proponents which led to lower operational costs.

Goal 3: Improve Habitat for Wildlife

Objective 3.1: Improve terrestrial wildlife habitat and populations

Many species of wildlife provide environmental, economic, social, and cultural value to the people of B.C. Investing in projects that create well-connected and functioning habitats with properly functioning ecosystem processes, can have lasting impacts on wildlife populations.

Key results

- Co-funded seven projects with [Habitat Conservation Trust Foundation](#) (HCTF) aimed at enhancing the habitat of threatened or at-risk species in B.C.

Summary of progress made in 2024/25

Through its relationship with the HCTF, FESBC leverages technical expertise, and co-funds the highest priority and value-for-money projects to support achievement of FESBC's wildlife habitat improvement goal. This co-funding agreement results in an expanded scope of habitat improvement projects in the province, helping ensure that suitable wildlife habitat is available and the abundance and distribution of wildlife in the province is maintained.

In 2024/25, seven co-funded projects were completed across the province, helping to support the enhancement of wildlife habitat for a multitude of species. Projects in 2024/25 included reestablishing Vancouver Island Marmots in Strathcona Provincial Park, restoring Riparian Black Cottonwood Ecosystems of the Kettle River Watershed and enhancing Winter Range Habitat for Mule Deer in Douglas-fir forests in the Southern Interior.

Performance measure(s) and related discussion

Performance Measure	2023/24 Actual	2024/25 Target	2024/25 Actual
3.1 Funding allocated for improving wildlife populations and their habitat ^{1, 2}	\$ 701,057	\$ 790,000	\$ 790,000

Data source: FESBC Letter of Agreement with HCTF dated March 11, 2019, HCTF annual approved project list, PwC Financials and FESIMS data.

¹ Targets are based on associated FESBC financial forecasts and spending plans.

² This performance measure was removed from the 2025/26 – 2027/28 service plan as FESBC's co-funding to HCTF ceased as of 2025/26.

In 2024/25, delivery of wildlife habitat improvement projects utilized the full commitment of funds from FESBC to the HCTF. FESBC has committed funding each year to HCTF to co-fund project delivery, based on HCTF projections. This funding relationship with HCTF ended on March 31, 2025, as all of the original funds have been used.

Financial Report

For the auditor's report and audited financial statements, see [Appendix B](#). These documents can also be found on the [Crown Agency Name] website.

Discussion of Results

FESBC's revenue recognition policy is set out in the attached financial statements and is linked to expenditures.

Financial risks were managed by following auditor recommendations and having clear separation of duties. Multiple people within the organization are required to sign off before money is transacted.

Financial Summary

(\$000s)	2023/24 Actual	2024/25 Budget	2024/25 Actual	2024/25 Variance
Revenues				
Contributions from Province	42,220	51,071	55,338	4,267
Other Income & Recoveries	2,918	6,375	3,395	(2,980)
Total Revenue	45,138	57,446	58,733	1,287
Expenses				
Grants	42,220	53,575	55,338	1,763
Administration	2,910	3,866	3,383	(483)
Capital Asset Amortization	8	5	11	6
Total Expenses	45,138	57,446	58,732	1,287
Annual Surplus (Deficit)	0	0	0	0
Total Debt	0	0	0	0
Capital Expenditures	5	0	7	7
Accumulated Surplus	0	0	0	0

¹ The above financial information was prepared based on current Generally Accepted Accounting Principles.

² Numerous rollover projects from the prior fiscal were completed and closed this fiscal year that were below budget or had a reduced scale. The surplus funds from these projects were reallocated to new projects that were completed this fiscal year.

Variance and Trend Analysis

Grant expenditures and corresponding revenue recognition were \$1.287 million more than budget. Unspent funds from previous years were made available to proponents involved in utilizing low-value fibre.

Risks and Uncertainties

FESBC project delivery can be affected by economic and environmental uncertainties affecting the forest sector. These are addressed, where possible, by being nimble and flexible to capitalize on the opportunities as they arise. Operations may also be affected by disruptive events such as wildfires, prolonged fire seasons and cold weather or heavy snow conditions. These were mitigated by planning and timing of projects and continual evaluation and adjustments to projects as required.

Investment income, a function of interest rates and funds on deposit, has fluctuated as deferred contributions are utilized or received and is also subject to interest rate changes.

Appendix A: Progress on Mandate Letter Priorities

The following is a summary of progress made on priorities as stated in the 2021 and 2023 Mandate Letters from the Minister Responsible.

2021 Mandate Letter Priority	Status as of March 31, 2025
Contribute to B.C.'s economic recovery and support strong, resilient rural communities by prioritizing FESBC investments to projects that generate good paying, sustainable jobs to meet the purposes of FESBC and the Forest Carbon Initiative objectives.	<ul style="list-style-type: none"> • This mandate letter priority is in progress. • Approved projects continue to be implemented in all eight natural resource regions in B.C. • Most of these projects are located adjacent to rural communities and support the local forestry workforce, keeping the social and economic benefits close to rural B.C. • For more information Objective 1.1 and Objective 2.1.
Implement a plan and determine measurable outcomes to ensure all funded projects are completed safely and effectively on the ground, and bring lasting economic, environmental, and social benefits to the people of B.C.	<ul style="list-style-type: none"> • This mandate letter priority is in progress. • Applicants are tasked with following proper safe work procedures when implementing projects. • Working with partners, FESBC ensures that the work is completed to acceptable industry standards and as planned to ensure the benefits of the work are realized.

<p>Deliver a comprehensive communications strategy to demonstrate how the achievements of FESBC have fulfilled its purposes, successfully contributed to the Province's economic recovery, and led to continued economic and environmental benefits for B.C.'s forests, Indigenous Peoples, and communities.</p>	<ul style="list-style-type: none"> • This mandate letter priority is ongoing. • In conjunction with Ministry of Forests and project partners, numerous journalism articles about FESBC projects have been published. • FESBC was awarded The Canadian Institute of Forest – Canadian Forest Management Group Achievement Award. • Ongoing implementation of this comprehensive and award-winning communications strategy is a continued focus for FESBC.
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May 2022 Letter of Direction Priority	Status as of March 31, 2025
<p>Identify and fund projects to reduce wildfire risks to communities.</p>	<ul style="list-style-type: none"> • This letter of direction priority is in progress. • As of 2024/25, there are 53 active wildfire risk reduction projects in progress, and 45 were completed. • Work in 2024/25 reduced wildfire risk on approximately 4,890 hectares of forest adjacent to communities and high value infrastructure. • For more information see Objective 1.1.
<p>Optimize the recovery and utilization of low-value residual fibre resulting from WRR treatments.</p>	<ul style="list-style-type: none"> • This letter of direction priority is in progress. • 31,288 m³ of residual fibre was utilized in 2024/25 due to wildfire reduction projects supported by FESBC. • Where practicable, FESBC assisted in utilizing fibre generated from these projects by the secondary manufacturing facilities. • For more information see Objective 1.1.

2023 Mandate Letter Priority	Status as of March 31, 2025
<p>Identify and fund projects that increase the use of low-value or residual fibre including trees damaged by recent wildfires and waste left on site after logging that would otherwise be burned. This increased utilization will help the forest sector across the province through this period of declining timber supply resulting from the mountain pine beetle epidemic.</p>	<ul style="list-style-type: none"> • This mandate letter priority is in progress. • In 2024/25, FESBC proponents utilized 2,363,712 m³ of low-value fibre that would have been burnt. FESBC estimates that industry invested \$3.60 for every \$1.0 in funding to enable this fibre was transported. • For more information, see Objective 1.1 and Objective 2.1.
<p>Support projects that mitigate wildfire risks, leading to better protection of communities, reduced greenhouse gas emissions and improved resiliency of B.C.'s forests to the impacts of climate change.</p>	<ul style="list-style-type: none"> • This mandate letter priority is in progress. • Significant area was treated in 2024/25 with new prescriptions being finalized, which will support future treatments. Low-value fibre is being used at all sites where it is economical to do so. • For more information, see Objective 1.1.

Appendix B: Auditor's Report and Audited Financial Statements

Financial Statements of

**FOREST ENHANCEMENT SOCIETY
OF BC**

And Independent Auditor's Report thereon

Year ended March 31, 2025

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Forest Enhancement Society of BC ("FESBC") are the responsibility of FESBC's management and have been prepared in compliance with legislation, and in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

FESBC's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by FESBC. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on FESBC's financial statements.



Jason Fisher
Executive Director



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Forest Enhancement Society of BC, and
To the Minister of Forests

Opinion

We have audited the financial statements of Forest Enhancement Society of BC (the "Society"), which comprise:

- the statement of financial position as at March 31, 2025
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements as at and for the year ended March 31, 2025 of the Society are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 1 to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the *Societies Act (British Columbia)*, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia have been applied on a basis consistent with that of the preceding year.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Victoria, Canada
May 9, 2025

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash and cash equivalents (note 2)	\$ 13,986,451	\$ 39,285,021
Investments (note 3)	-	15,090,662
Accounts receivable	1,117,519	588,979
	15,103,970	54,964,662
Liabilities:		
Accounts payable and accrued liabilities	8,068,787	12,412,509
Deferred contributions (note 4)	7,057,320	43,960,477
	15,126,107	56,372,986
Net debt	(22,137)	(1,408,324)
Non-financial assets:		
Tangible capital assets (note 5)	18,420	21,577
Prepaid expenses and grants (note 6)	3,717	1,386,747
	22,137	1,408,324
Commitments (note 10)		
Accumulated surplus	\$ -	\$ -

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	Budget (note 7)	2025	2024
Revenues:			
Deferred contributions recognized	\$ 57,445,500	\$ 58,722,302	\$ 45,137,307
Other	500	923	452
Gain on disposal of tangible capital assets	-	9,960	400
	57,446,000	58,733,185	45,138,159
Expenses:			
Amortization	5,000	10,546	7,800
Grants issued	53,575,000	55,338,539	42,220,046
Grant administration	2,035,000	1,868,780	1,779,807
Occupancy	64,300	53,073	51,759
Office and general	168,500	73,883	54,924
Professional fees	308,000	235,941	218,519
Salaries and benefits	1,123,700	1,013,507	708,866
Travel and transportation	166,500	138,917	96,438
	57,446,000	58,733,186	45,138,159
Annual surplus	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Changes in Net Debt

Year ended March 31, 2025, with comparative information for 2024

	Budget (note 7)	2025	2024
Annual surplus	\$ -	\$ -	\$ -
Acquisition of tangible capital assets	-	(7,389)	(5,432)
Amortization of tangible capital assets	5,000	10,546	7,800
Proceeds on disposal of tangible capital assets	-	9,960	400
Gain on disposal of tangible capital assets	-	(9,960)	(400)
		3,157	2,368
Decrease of prepaid expenses	-	1,383,030	1,122,379
Change in net debt	5,000	1,386,187	1,124,747
Net debt, beginning of year	(1,408,324)	(1,408,324)	(2,533,071)
Net debt, end of year	\$ (1,403,324)	\$ (22,137)	\$ (1,408,324)

See accompanying notes to financial statements.

FOREST ENHANCEMENT SOCIETY OF BC

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ -	\$ -
Items not involving cash:		
Amortization	10,546	7,800
Gain on disposal of tangible capital assets	(9,960)	(400)
Deferred contributions recognized	(58,722,302)	(45,137,307)
Changes in non-cash operating working capital		
Accounts receivable	(528,540)	1,895,044
Prepaid expenses	1,383,030	1,122,379
Accounts payable and accrued liabilities	(4,343,722)	9,329,517
Deferred contributions received	20,011,500	50,000,000
Interest earned on deferred contributions	1,807,645	3,143,628
	(40,391,803)	20,360,661
Capital activities:		
Purchase of tangible capital assets	(7,389)	(5,432)
Proceeds on disposal of tangible capital assets	9,960	400
	2,571	(5,032)
Investing activities:		
Maturity (purchase) of investments	15,090,662	(1,845,210)
Increase (decrease) in cash and cash equivalents	(25,298,570)	18,510,419
Cash and cash equivalents, beginning of year	39,285,021	20,774,602
Cash and cash equivalents, end of year	\$ 13,986,451	\$ 39,285,021

See accompanying notes to financial statements.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

Forest Enhancement Society of BC ("FESBC" or "Society") was incorporated on February 16, 2016 under the *Society Act* (British Columbia) and transitioned to the new *Societies Act* (British Columbia) on June 9, 2017. Its principal activity is to advance and advocate for the environmental and resource stewardship of BC's forests.

1. Significant accounting policies:

(a) Basis of accounting:

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 198/2011 issued by the Province of British Columbia Treasury Board. The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 198/2011 requires that restricted contributions received or receivable other than for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset be treated as a deferred contribution and the associated liability reduced, and revenue recognized, in the fiscal period during which the stipulation or restriction the contribution is subject to is met.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which requires that

- government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410;
- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100.

As a result, revenue recognized in the statement of operations and deferred contributions would be recorded differently under Canadian Public Sector Accounting Standards.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

1. Significant accounting policies (continued):

(b) Revenue recognition:

Externally restricted contributions are recognized as revenue depending on the nature of the restrictions on the use of the funds by the contributors as described in note 1(a).

Investment income is reported in the period earned. When required by the funding party or related Act, investment income earned on deferred revenue is added to the deferred revenue balance.

(c) Deferred contributions:

Deferred contributions includes contributions received with stipulations that meet the description of restricted contributions in the Restricted Contributions Regulation 198/2011 issued by Treasury Board. When restrictions are met, deferred revenue is recognized as revenue in the fiscal period in a manner consistent with the circumstances and evidence used to support the initial recognition of the contributions received as a liability as detailed in note 1(a).

(d) Cash and cash equivalents:

Cash and cash equivalents include highly liquid investments with terms to maturity of three months or less at the date of purchase and redeemable investments.

(e) Investments:

Investments include fixed rate investments with maturity dates greater than three months at the time of acquisition. Investments are reported at cost plus accrued interest.

(f) Tangible capital assets:

Tangible capital assets acquired are recorded at cost which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets.

Amortization is provided on a declining balance basis over the estimated useful life of the assets using the following annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Computer equipment	Declining balance	55%
Vehicles	Declining balance	30%
Telephones	Declining balance	20%
Leasehold improvements	Straight line	3 years

One-half of the annual rate is used in the year of acquisition.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

1. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

Tangible capital assets are written down to residual value when conditions indicate they no longer contribute to the ability of FESBC to provide services or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The write-downs are accounted for as expenses in the Statement of Operations. Intangible assets are not recorded as assets in these financial statements.

(g) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

There are no asset retirement obligations during the periods presented.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market and derivative contracts that are not designated in a qualifying hedging relationship are subsequently measured at fair value and all changes in the fair value are recognized in the statement of remeasurement gains and losses. They are recognized in the statement of operations when realized. In the years presented, there are no unrealized gains or losses; as a result no statement of remeasurement gains and losses is presented. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. FESBC has not elected to carry any financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal period if there are indicators of impairment. If there is an indicator of impairment, FESBC determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount FESBC expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Cash and cash equivalents:

	2025	2024
Cash in bank	\$ 10,016,616	\$ 26,414,482
Cash on deposit	3,969,835	12,870,539
	<u>\$ 13,986,451</u>	<u>\$ 39,285,021</u>

3. Investments:

At March 31, 2024, investments consisted of Guaranteed Investment Certificates bearing interest at rates varying between 5.00% and 5.25% and maturity dates between June 19, 2024 and October 31, 2024. These investments matured during fiscal 2025, and there are no investments held at March 31, 2025.

4. Deferred contributions:

On March 31, 2016, the Province provided FESBC with a grant of \$85,000,000 to be used to further FESBC's purposes, aims, and objectives in collaboration with stakeholders, including the provincial government. On February 24, 2017, the Province provided FESBC with a further grant of \$150,000,000 for the same purpose.

On November 13, 2020 FESBC entered into an agreement to receive \$3,000,000 in funding provided under the Province's *Stronger BC for Everyone: BC's Economic Recovery Plan*. The funding has been fully expended on costs eligible under the agreement.

On May 17, 2023, FESBC entered into an agreement to receive \$25,000,000 in funding from the Province. The purpose of the funding is to support reduction of wildfire risk and optimize recovery.

On April 25, 2023, FESBC entered into a Shared Cost Arrangement with the Province to receive \$50,000,000 to support projects to improve recovery and utilization of low-value residual fibre and wildfire prevention planning and fuel management treatments near higher-risk communities with critical infrastructure.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

4. Deferred contributions (continued):

If any of the contributions from the Province cannot be actively committed to achieving FESBC's stated purposes and objectives or requirements of the grant, they must be returned to the Province. The grants were recognized as deferred contributions and are used to fund the operating expenses and grants issued by FESBC. Interest earned on the grants is deferred and used to fund eligible expenses incurred by FESBC.

	2025	2024
Balance, beginning of year	\$ 43,960,477	\$ 35,954,156
Restricted interest income	1,807,645	3,143,628
Contributions received - Province	20,011,500	50,000,000
Amount recognized as revenue in the year	(58,722,302)	(45,137,307)
Balance, end of year	\$ 7,057,320	\$ 43,960,477

5. Tangible capital assets:

March 31, 2025	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 18,872	\$ 15,984	\$ 2,888
Computer equipment	27,906	15,142	12,764
Vehicles	22,062	19,440	2,622
Telephones	947	801	146
Leasehold improvements	15,071	15,071	-
	\$ 84,858	\$ 66,438	\$ 18,420

March 31, 2024	Cost	Accumulated amortization	Net book value
Furniture and fixtures	\$ 18,872	\$ 15,262	\$ 3,610
Computer equipment	20,034	12,640	7,394
Vehicles	57,122	46,727	10,395
Telephones	947	769	178
Leasehold improvements	15,071	15,071	-
	\$ 112,046	\$ 90,469	\$ 21,577

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

6. Prepaid expenses and grants:

	2025	2024
Funds advanced to grant administrators	\$ -	\$ 1,381,721
Other	3,717	5,026
	\$ 3,717	\$ 1,386,747

During the year, funds previously advanced of \$605,433 were returned to the Society.

7. Budget:

The budget figures presented were approved by the Board in February 2024.

8. Employee benefits:

The Society and its employees contribute to the Public Service Pension Plan (a jointly trustee pension plan). The Public Service Pension Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. The plan has about 76,000 active members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Plan as at March 31, 2023 indicated a \$4,491 million surplus for basic pension benefits on a going concern basis.

The Society paid \$42,149 (2024 - \$18,175) for employer contributions and employees paid \$35,729 (2024 - \$15,407) to the plan in fiscal 2025.

The next valuation will be as of March 31, 2026.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

9. Financial risks and concentration of risk:

(a) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes in FESBC's cash flows, financial position and annual surplus. Cash in the bank earns interest on a variable rate based on Prime and Bank of Canada rates. FESBC manages interest rate risk by forecasting cash flow needs and investing in fixed rate guaranteed investment certificates set to mature when cash expenditures are forecasted to occur.

(b) Liquidity risk:

Liquidity risk is the risk that FESBC will be unable to fulfill its obligations on a timely basis or at a reasonable cost. FESBC manages its liquidity risk by monitoring its operating requirements. FESBC prepares budget and cash flow forecasts to ensure it has sufficient funds to fulfill its obligations.

(c) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. FESBC is not exposed to currency risk, as all transactions are denominated in Canadian dollars.

(d) Credit risk:

Credit risk refers to the risk of financial loss due to a counterparty failing to meet its contractual obligations. The Society deals with creditworthy counterparties to mitigate the risk of financial loss. Accounts receivable are owing entirely from government entities.

There have been no changes to the risk exposures from 2024.

10. Commitments:

FESBC has entered into a contract with a third party for administration services related to the delivery and implementation of FESBC's Forest Enhancement Program. The minimum fees are \$835,000 per annum.

FESBC has entered into a Letter of Agreement with The Habitat Conservation Trust Foundation ("HCTF") to jointly assess projects for co-funding that meet each agency's desired goals. FESBC committed total funds up to \$5,482,417 from 2017-2025 to co-fund projects of shared interest. The fees payable to HCTF for administration are 7.5% based on the value of grants under administration. There are no grants remaining to be disbursed at March 31, 2025.

FESBC has entered into a Letter of Agreement with The Union of BC Municipalities ("UBCM") to contribute funding of \$1,956,247 towards projects administered through the FireSmart Community Funding & Supports program. The fees payable to UBCM for administration are 5% based on the value of grants under administration. Undisbursed funds of \$605,433 were returned to the Society during the year.

FOREST ENHANCEMENT SOCIETY OF BC

Notes to Financial Statements

Year ended March 31, 2025

10. Commitments (continued):

FESBC has entered into an operating lease commitment for premises with monthly payments of \$1,497 until July 2026.

Approved and unadvanced grants at March 31, 2025 were \$8,778,416 (2024 - \$42,068,671).

11. Remuneration paid to directors, employees and contractors:

Under the new British Columbia Societies Act, effective November 28, 2016, FESBC is required to disclose in the annual financial statements all remuneration paid to directors and the annual remuneration paid to employees and contractors receiving greater than \$75,000.

FESBC paid \$544,804 to five employees including secondments (2024 - \$666,715 to five) for services, each of whom received total annual remuneration of \$75,000 or greater. One contractor was paid greater than \$75,000 totaling \$123,952

During the year, FESBC paid total remuneration of \$26,375 (2024 - \$20,575) to directors. For director remuneration, the requirement is to disclose all remuneration paid to directors.

Director	\$ 3,600
Director	8,675
Director	4,350
Director	5,850
Director	3,900
	<hr/>
	\$ 26,375

12. Related party transactions:

FESBC is related to all Provincial ministries, agencies, school districts, health authorities, colleges, universities, and crown corporations in the Province. Transactions with these entities, unless disclosed separately, are considered to be in the normal course of operations and are recorded at the exchange amount.

During the year, two of five directors of the Board were employees of the Province.

FESBC purchased services from related parties through employee secondment from the Province. These services were purchased on a cost recovery basis and totaled \$415,158 (2024 - \$434,793).

During the year, there were \$328,208 of grants (2024 - nil) issued to recipients through the Province, Ministry of Forests and Ministry of Finance.