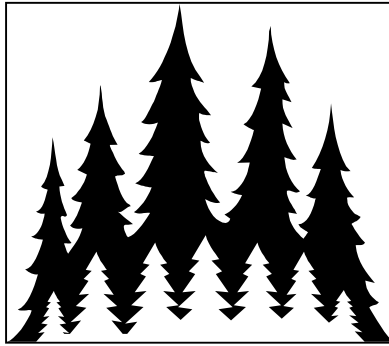


# **The BC Forestry Revitalization Trust**



**2007 Annual Report**

**Trustee  
Eric van Soeren**

# **BC Forestry Revitalization Trust**

## **Report of the Trustee**

In March 2003 the province of British Columbia established the BC Forestry Revitalization Trust (BCFRT) and funded it with \$75,000,000. The mandate of the BCFRT is to provide mitigation to forest workers and replaceable contractors that are negatively impacted by timber reallocations resulting from the Forestry Revitalization Act.

In April 2004 the province appointed Eric van Soeren as Trustee. Shortly after that he appointed a seven member Advisory Board, as required by the Trust Deed. Advisory Board membership as of year-end was as follows:

John Allan, Board Member representing the Council of Forest Industries  
Jim Girvan, Board Member representing the Truck Loggers Association  
Monty Mearnes, Board Member representing the United Steelworkers of America – IWA Council  
Tim Menning, Board Member representing the Interior Logging Association, the Central Interior Loggers Association and the North West Logging Association  
David Morel, Board Member representing the Ministry of Forests and Range  
Darrel Wong, Board Member representing the United Steelworkers of America – IWA Council  
Rick Jeffrey, Board Member representing the Coast Forest Products Association

During 2004 the Advisory Board developed draft forest worker and contractor mitigation guidelines. In order to develop an estimate of the cost of those guidelines, the Trustee polled all the major licensees that were to lose some of their allowable annual cut. They were asked to provide their best estimate of the effect of the timber reallocation on their workers, their contractors, and their contractors' workers. The Trustee received a 100% response rate from Coastal licensees, and a 90% response rate in the Interior. The main reason for the lower response in the Interior was the lack of a response from New Skeena, which was involved in bankruptcy proceedings.

Utilizing the best estimates of industry, seniority estimates obtained from the IWA pension plan, seniority estimates obtained from contractor industry associations, and the proposed guidelines, the Trustee arrived at an estimated cost of delivering the proposed guidelines. Based on that estimate, the Trustee determined that the BCFRT required approximately \$50,000,000 more than what was available in the BCFRT accounts as of December 31, 2004, plus what the BCFRT would likely earn in interest while holding mitigation funds in trust.

The Trustee and the Advisory Board approached the province to attempt to get sufficient extra funds to allow the draft mitigation guidelines to be finalized. On January 21, 2005 the Premier made a public commitment to ask the BC Legislature to approve the required extra

\$50,000,000. On February 22, 2005 the legislature approved the request. Of that amount, \$40,000,000 was transferred to the BCFRT, and \$10,000,000 has been held back by the Ministry of Forests and Range pending confirmation that the funds will be required. Therefore, the draft guidelines were finalized.

Significant mitigation payments have been made as of December 31, 2007. Based on the Forestry Revitalization Proposals (FRPs) and related mitigation applications received to date, it is clear that contractor mitigation costs and employee mitigation costs per severed employee are higher than originally expected. However, the total number of severed employees is significantly lower than originally expected. A combination of reasonable investment returns, lower than expected administration costs, and lower than expected total severance costs have more than compensated for higher than expected contractor mitigation costs.

Therefore, as of the end of 2007, the Trustee believes the funds already in the BCFRT will be sufficient to make future required mitigation payments based on the Contractor and Worker Mitigation Guidelines, and it will not be necessary to draw down on the \$10,000,000 that has been committed to the BCFRT by the Ministry of Forests and Range.

#### **Administration Account**

When the BCFRT was created, \$5 million was allocated to administration. To date, administration expenses of the BCFRT have been slightly more than the interest earned by the Administration Account, so the initial principal has only been reduced to \$4.6 million. It appears likely that a portion of the Administration Account will be able to be transferred to one of the Mitigation Accounts at a later date, and on an as needed basis.

#### **Contractor Mitigation Account**

The principle being used for contractor mitigation is that contractors who lose their replaceable contracts as a result of Forestry Revitalization Act (FRA) timber reallocation will receive mitigation that approximates what the contract might reasonably have been worth at the time it was reduced or eliminated. Generally, this will be based on a per cubic metre value, but contracts that were calculated based on some other measure will be treated accordingly. A detailed description of the calculation to be used is in the Contractor Mitigation Guidelines, which can be found by following the links to Contractor Mitigation Guidelines on the BCFRT website at [www.bcfirt.com](http://www.bcfirt.com).

As of December 31, 2007, the holders of 262 replaceable contracts had been partially or completely compensated for the loss of their replaceable contractual rights. Total contractor compensation paid out as of December 31, 2007 was \$60,879,740.

#### **Forest Worker Mitigation Account**

The principle being used for forest worker mitigation is that workers who are severed because of FRA timber reallocation will receive severance paid to them by their employer,

but funded by the BCFRT. The Advisory Board felt it was fair that all employees of licensees and replaceable contractors who lose their jobs as a result of FRA timber reallocation be treated the same. Because the Steelworkers (previously IWA) contract mandates that employees affected by a permanent logging camp closure receive severance of 10 regular days pay per year of service, plus 10/12<sup>ths</sup> of a regular day's pay per completed month of service, that standard was used. The detailed calculation and discussion appears in the Forest Worker Mitigation Guidelines, which can be found by following the links to Forest Worker Mitigation Guidelines on the BCFRT website at [www.bcfirt.com](http://www.bcfirt.com).

As of December 31, 2007, severance payments had been made to 802 forest workers, at a total cost to the BCFRT of \$40,470,806.

### **Termination of the BC Forestry Revitalization Trust**

The Trust Deed that created the BC Forestry Revitalization Trust calls for the termination of the Trust by March 31, 2008. However, approximately 60 contractors and an unknown number of employees still need to be dealt with. Of those, mitigation for 14 replaceable contractors cannot be resolved yet because the Forestry Revitalization Proposal that relates to them is being disputed and is before the courts. Several of the other replaceable contractors are either having difficulty obtaining the information required to value their claim, dispute the amounts they would receive based on the Contractor Mitigation Guidelines, or simply have not applied yet for themselves or their ex-employees. Therefore, the Trustee hopes to essentially roll the Trust over so the outstanding beneficiaries can apply and receive appropriate mitigation, and the various disputes can be resolved. The Trustee is in discussions with the BCFRT Advisory Board and Ministry of Forests and Range staff to try to complete the roll over before the termination of the Trust.

**BC FORESTRY REVITALIZATION TRUST**  
**FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2007**

**BC FORESTRY REVITALIZATION TRUST**  
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Exhibit A

To the Trustee  
**BC Forestry Revitalization Trust**

**AUDITORS' REPORT**

We have audited the statement of financial position of BC Forestry Revitalization Trust as at December 31, 2007, and the statements of receipts and expenditures and net assets for the year then ended. These financial statements are the responsibility of the Trustee. Our responsibility is to express an opinion on these financial statements.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Trustee, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2007 and its receipts and expenditures for the year then ended in accordance with Canadian generally accepted accounting principles.

  
**CHARTERED ACCOUNTANTS**

Vancouver, B.C.  
February 19, 2008

Exhibit B

**BC FORESTRY REVITALIZATION TRUST**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2007**

	<u><b>ASSETS</b></u>	<u><b>2007</b></u>		<u><b>2006</b></u>
<b>CURRENT ASSETS</b>				
Cash - note 6		\$ 24,622		\$ 15,280
Marketable securities - at cost - Schedule 1		21,848,308		40,541,923
Interest receivable		<u>386,351</u>		<u>452,555</u>
<b>TOTAL ASSETS</b>		<u><b>\$ 22,259,281</b></u>		<u><b>\$ 41,009,758</b></u>
 <b><u>LIABILITIES</u></b>				
<b>CURRENT LIABILITY</b>				
• Accounts payable and accrued liabilities		<u>\$ 27,044</u>		<u>\$ 43,994</u>
<b>TOTAL LIABILITIES</b>		<u>27,044</u>		<u>43,994</u>
 <b><u>FUND BALANCES</u></b>				
<b>NET ASSETS</b>				
Administration Fund - Schedule 2		4,587,331		4,582,340
Contractor Mitigation Fund - Schedule 2		10,909,749		6,722,901
Forest Worker Mitigation Fund - Schedule 2		<u>6,735,157</u>		<u>29,660,523</u>
<b>TOTAL NET ASSETS</b>		<u>22,232,237</u>		<u>40,965,764</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><b>\$ 22,259,281</b></u>		<u><b>\$ 41,009,758</b></u>

**APPROVED BY THE TRUSTEE**

 \_\_\_\_\_ Trustee

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



Exhibit C

**BC FORESTRY REVITALIZATION TRUST**  
**STATEMENT OF NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>2007</u>	<u>2006</u>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b>	<b><u>\$ 1,043,214</u></b>	<b><u>\$ 2,019,777</u></b>
<b>NON-OPERATING TRANSACTIONS</b>		
Disbursements to beneficiaries	<u>(19,776,741)</u>	<u>(50,929,750)</u>
	<u>(19,776,741)</u>	<u>(50,929,750)</u>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>40,965,764</u>	<u>89,875,737</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u><u>\$ 22,232,237</u></u></b>	<b><u><u>\$ 40,965,764</u></u></b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**STATEMENT OF RECEIPTS AND EXPENDITURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<u>2007 Total</u>	<u>2006 Total</u>
<b>INTEREST RECEIPTS - note 4(b)</b>	\$ 197,363	\$ 685,184	\$ 354,849	\$ 1,237,396	\$ 2,388,901
<b>EXPENDITURES - note 4(c)</b>					
Administration fees	383	-	-	383	900
Audit fees	17,400	-	-	17,400	31,750
Bank charges and interest	200	1,355	455	2,010	3,375
GST expense	10,726	-	-	10,726	22,298
Legal fees	4,121	-	-	4,121	4,990
Office	1,322	-	-	1,322	1,283
Project analysis	11,667	-	-	11,667	26,533
Travel and entertainment	713	-	-	713	1,675
Trustee fees	145,840	-	-	145,840	276,320
	<u>192,372</u>	<u>1,355</u>	<u>455</u>	<u>194,182</u>	<u>369,124</u>
<b>EXCESS OF RECEIPTS OVER EXPENDITURES</b>	<u>\$ 4,991</u>	<u>\$ 683,829</u>	<u>\$ 354,394</u>	<u>\$ 1,043,214</u>	<u>\$ 2,019,777</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**1. PURPOSE OF THE TRUST**

The BC Forestry Revitalization Trust (the "Trust") was established by Deed of Trust dated March 17, 2003 (the "Trust Deed"). Pursuant to Bill 28-2003, the *Forestry Revitalization Act*, the Ministry of Forests of the Province of British Columbia made a payment of \$75,000,000 to settle the Trust (the "First Payment"). On February 22, 2005, the Government of the Province of British Columbia passed legislation to make an additional contribution of \$50,000,000 to the Trust (the "Second Payment"), to increase the funds available for distribution to \$125,000,000. A portion of \$40,000,000 of the second payment was received during a prior year. The remaining amount is held by the Government of the Province of British Columbia until such a time as the Trust requires the funds. The funds are to be used to mitigate adverse financial impacts suffered by certain workers and replaceable contractors as a result of restructuring of the forestry sector and harvesting operations within British Columbia, arising out of reductions under the *Forestry Revitalization Act* of harvesting rights available to licensees under the *Forest Act*.

**2. BENEFICIARIES OF THE TRUST**

The beneficiaries of the Trust are:

- (a) certain workers (unemployed forestry workers and retraining forestry workers as defined in subparagraph 2.02(2)(a) and (b) of the Trust Deed); and
- (b) certain contractors (as defined in subparagraph 2.02(2)(c) of the Trust Deed) who hold a replaceable contract within the meaning of the *Timber Harvesting Contract and Subcontract Regulation* of the *Forest Act*.

**3. DURATION OF THE TRUST**

Subject to a possible extension of up to two years the Trust will terminate on the earlier of:

- (a) March 31, 2008; and
- (b) any date on which there is no remaining Trust property.

**4. SIGNIFICANT ACCOUNTING POLICIES**

(a) Fund Accounting

The BC Forestry Revitalization Trust employs fund accounting, using the accrual method of accounting for transactions. The Trust's assets are subject to the restrictions contained in the Trust Deed and are to be used only for the specified purposes. The Trust comprises the following funds:

(i) Administration Fund

In accordance with the Trust Deed, \$5 million of the First Payment was allocated to the Administration Fund to meet administration expenses for the duration of the Trust.

Pursuant to recommendations by the Advisory Board, the Trustee may transfer funds from time to time from the Administration Fund to the other two funds to the extent that the transferred amounts are in excess of anticipated administrative expenses of the Trust. Any such transfers cannot be reversed.

**BC FORESTRY REVITALIZATION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**4. SIGNIFICANT ACCOUNTING POLICIES, *cont'd***

(ii) Contractor Mitigation Fund

In accordance with the Trust Deed, \$23 million of the First Payment was allocated to the Contractor Mitigation Fund.

This fund is to be used to provide mitigation to certain replaceable contractors for reductions in their contract volumes resulting from the reduction in the harvesting rights of certain licensees under the *Forestry Revitalization Act*;

Pursuant to recommendations by the Advisory Board, the Trustee may transfer funds from time to time between the Contractor Mitigation Fund and the Forest Worker Mitigation Fund.

(iii) Forest Worker Mitigation Fund

In accordance with the Trust Deed, \$47 million of the First Payment was allocated to the Forest Worker Mitigation Fund.

This fund is to be used to provide mitigation to certain forestry workers who ceased to be employed by certain licensees or replaceable contractors as a result of reductions in the harvesting rights of certain licensees under the *Forestry Revitalization Act*.

Pursuant to recommendations by the Advisory Board, the Trustee may transfer funds from time to time between the Contractor Mitigation Fund and the Forest Worker Mitigation Fund.

(b) Revenue Recognition and Allocation

Investment income is recorded as received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

All income earned in respect of funds held in a mitigation fund shall be income of that mitigation fund and form part of the capital of that fund.

All income earned in any fiscal year in respect of funds held in the Administration Fund (net of any applicable taxes) will first be used to pay administrative expenses for the fiscal year. The remainder, if any, shall be added to the other two funds on a pro-rata basis as defined in the Trust Deed.

(c) Expenditures Allocation

In accordance with the Trust Deed, all expenditures are to be paid out of the Administration Fund.

(d) Use of Assumptions and Estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires the Trustee to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on the Trustee's knowledge of current events and actions the Trust may undertake in the future, actual results may differ from the estimates.

**BC FORESTRY REVITALIZATION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**5. STATEMENT OF CASH FLOWS**

These financial statements do not include a statement of cash flows as the information is readily available from the financial statements, and would not provide additional useful information.

**6. CASH**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<b><u>2007 Total</u></b>	<b><u>2006 Total</u></b>
Cash	\$ 23,500	\$ 630	\$ 492	<b>\$ 24,622</b>	<b>\$ 15,280</b>

**7. INCOME TAXES**

The Trustee is of the opinion that the Trust is either a non-profit organization for income tax purposes or a public body performing a function of government. Under either definition, the Trust's income would not be subject to income taxes.

During a prior year, an appeals officer of the Canada Revenue Agency (the "CRA") requested certain information regarding the purpose of the Trust and indicated verbally that she concurred with the Trustee's opinion. During the year, the Trustee received a notice of assessment confirming that the Trust is not subject to Income Taxes.

**8. GOODS AND SERVICES TAXES**

The Trustee has received advice from the CRA that the Trust will not be able to recover any Input Tax Credits.

**9. FAIR VALUE AND CREDIT RISK**

The carrying value of investments and liabilities reflected in the balance sheet approximate their respective fair values. The Trust does not have a significant concentration of credit risk.

**10. COMMITMENTS**

In accordance with the Trust deed, all funds must be disbursed to beneficiaries by March 31, 2008 pursuant to the purpose of the Trust and the guidelines prepared by the Trustee and approved by the Advisory Board. Any amounts remaining at that time are to be transferred to a person, organization or association whose objectives are compatible with the distribution objectives of the Trust. However, no amounts may be transferred to the Government of the Province of British Columbia.

**BC FORESTRY REVITALIZATION TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

**11. SUFFICIENCY OF FUNDS**

During a prior year, the Trustee and Advisory Board developed Forest Worker Mitigation Guidelines and Contractor Mitigation Guidelines. Based on those guidelines the Trustee regularly updates calculations of the expected amounts required to make mitigation payments to eligible workers and replaceable contractors in accordance with the purpose of the Trust. These calculations are based on certain assumptions and on information and estimates provided by affected licensees and contractors.

The Trustee is satisfied that the funds currently available will permit the Trust to fulfill its expected obligations under the Forest Worker and Contractor Mitigation Guidelines, without the need to draw down on the last \$10,000,000 of the Second Payment.

**12. SUBSEQUENT EVENT**

- The Trust is not expected to be able to compensate all beneficiaries before March 31, 2008. Accordingly, the Trustee intends to solicit the approval of the Advisory Board and government representatives to continue the Trust under similar guidelines to the existing Trust.

**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF MARKETABLE SECURITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<u>2007 Total</u>	<u>2006 Total</u>
Government of Canada Treasury Bill Face Value \$150,000 Due March 8, 2007	\$ -	\$ -	\$ -	\$ -	\$ 148,372
Government of Canada Treasury Bill Face Value \$1,589,000 Due July 12, 2007	-	-	-	-	1,550,781
Franchise II Trust Discount Note Face Value \$50,000 Due January 3, 2007	-	-	-	-	49,629
Royal Bank BA Face Value \$1,094,000 Due May 22, 2007	-	-	-	-	1,072,366
CIBC BA Face Value \$1,812,000 Due May 18, 2007	-	-	-	-	1,775,767
Government of Canada Treasury Bill Face Value \$1,114,000 Due January 25, 2007	-	-	-	-	1,083,691
Government of Canada Treasury Bill Face Value \$2,220,000 Due February 22, 2007	-	-	-	-	2,152,572

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF MARKETABLE SECURITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<b><u>2007 Total</u></b>	<b><u>2006 Total</u></b>
<i>carried forward</i>	-	-	-	-	7,833,178
National Bank of Canada Discount Note Face Value \$1,112,000 Due March 7, 2007	-	-	-	-	1,089,133
Res Province of Saskatchewan Face Value \$848,000 Due March 9, 2007	-	-	-	-	821,846
Res Canada Housing Trust Face Value \$589,000 Due March 15, 2007	-	-	-	-	567,751
CPN Province of Quebec Face Value \$886,000 Due April 1, 2007	-	-	-	-	866,778
Government of Canada Treasury Bill Face Value \$2,213,000 Due February 8, 2007	-	-	-	-	2,170,092
Government of Canada Treasury Bill Face Value \$3,000,000 Due May 3, 2007	-	-	-	-	2,949,627

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.



**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF MARKETABLE SECURITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<b><u>2007 Total</u></b>	<b><u>2006 Total</u></b>
<i>carried forward</i>	-	-	-	-	16,298,405
Government of Canada Treasury Bill Face Value \$3,000,000 Due July 12, 2007	-	-	-	-	2,927,844
Government of Canada Treasury Bill Face Value \$3,000,000 Due August 9, 2007	-	-	-	-	2,919,423
CIBC BA Face Value \$39,000 Due January 3, 2007	-	-	-	-	38,866
Bank of Nova Scotia Discount Note Face Value \$983,000 Due January 3, 2007	-	-	-	-	960,477
RES Province of Ontario Face Value \$1,163,700 Due March 8, 2007	-	-	-	-	1,134,052
Res Canada Housing Trust Face Value \$4,809,000 Due March 15, 2007	-	-	-	-	4,663,229

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF MARKETABLE SECURITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<u>2007 Total</u>	<u>2006 Total</u>
<i>carried forward</i>	-	-	-	-	28,942,296
Royal Bank Discount Note Face Value \$2,902,000 Due April 5, 2007	-	-	-	-	2,843,113
National Bank of Canada BA Face Value \$2,609,000 Due April 10, 2007	-	-	-	-	2,555,309
FirstBank BA Face Value \$2,079,000 Due April 16, 2007	-	-	-	-	2,036,645
Citibank N.A Discount Note Face Value \$2,041,000 Due May 29, 2007	-	-	-	-	1,999,641
Res Province of Saskatchewan Face Value \$2,231,500 Due September 6, 2007	-	-	-	-	2,164,919
National Bank of Canada BA Face Value \$1,626,000 Due January 7, 2008	1,589,795	-	-	<b>1,589,795</b>	-

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF MARKETABLE SECURITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<u>2007 Total</u>	<u>2006 Total</u>
<i>carried forward</i>	1,589,795	-	-	<b>1,589,795</b>	40,541,923
PRN Canada Housing Trust No. 1 Face Value \$1,113,700 Due March 15, 2008	1,099,346	-	-	<b>1,099,346</b>	-
CDN Imperial Bank of Commerce BA Face Value \$1,897,000 Due May 28, 2008	1,814,141	-	-	<b>1,814,141</b>	-
Royal Bank of Canada BA Face Value \$1,224,000 Due February 5, 2008	-	-	1,209,449	<b>1,209,449</b>	-
CIBC GIC Face Value \$580,000 Due March 5, 2008	-	-	580,000	<b>580,000</b>	-
Bank of Nova Scotia Discount Note Face Value \$493,000 Due March 6, 2008	-	-	483,352	<b>483,352</b>	-
RES Province of Ontario Face Value \$2,975,300 Due March 8, 2008	-	-	2,897,264	<b>2,897,264</b>	-

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF MARKETABLE SECURITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<u>2007 Total</u>	<u>2006 Total</u>
<i>carried forward</i>	4,503,282	-	5,170,065	<b>9,673,347</b>	40,541,923
RES Province of British Columbia Face Value \$1,591,800 Due June 9, 2008	-	-	1,563,152	<b>1,563,152</b>	-
National Bank of Canada BA Face Value 1,500,000 Due January 3, 2008	-	1,454,367	-	<b>1,454,367</b>	-
JPMorgan Chase Bank Discount Note Face Value \$356,000 Due January 4, 2008	-	351,630	-	<b>351,630</b>	-
Nestle Capital Canada Discount Note Face Value \$262,000 Due January 15, 2008	-	259,507	-	<b>259,507</b>	-
Royal Bank of Canada BA Face Value \$1,906,000 Due February 22, 2008	-	1,837,022	-	<b>1,837,022</b>	-
Res Province of Ontario Face Value \$2,742,735 Due March 8, 2008	-	2,669,309	-	<b>2,669,309</b>	-

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF MARKETABLE SECURITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<u>2007 Total</u>	<u>2006 Total</u>
<i>carried forward</i>	4,503,282	6,571,835	6,733,217	<b>17,808,334</b>	40,541,923
Prn Canada Housing Trust Face Value \$1,004,850 Due March 15, 2008	-	993,702	-	<b>993,702</b>	-
Royal Bank of Canada BA Face Value \$46,000 Due March 24, 2008	-	45,461	-	<b>45,461</b>	-
Res Province of New Brunswick Face Value \$1,324,000 Due June 2, 2008	-	1,282,694	-	<b>1,282,694</b>	-
RES Province of Manitoba Face Value \$578,800 Due June 2, 2008	-	563,277	-	<b>563,277</b>	-
GoC Treasury Bill Face Value \$1,154,840 Due March 8, 2007	-	1,154,840	-	<b>1,154,840</b>	-
 Marketable Securities	<u>\$ 4,503,282</u>	<u>\$ 10,611,809</u>	<u>\$ 6,733,217</u>	<u>\$ 21,848,308</u>	<u>\$ 40,541,923</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**BC FORESTRY REVITALIZATION TRUST**  
**SCHEDULE OF FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Administration Fund</u>	<u>Contractor Mitigation Fund</u>	<u>Forest Worker Mitigation Fund</u>	<b><u>2007 Total</u></b>	<b><u>2006 Total</u></b>
Balance, beginning of year	\$ 4,582,340	\$ 6,722,901	\$ 29,660,523	\$ <b>40,965,764</b>	\$ 89,875,737
Disbursements to beneficiaries	-	(16,496,981)	(3,279,760)	<b>(19,776,741)</b>	(50,929,750)
Excess of receipts over expenditures	4,991	683,829	354,394	<b>1,043,214</b>	2,019,777
Interfund reallocation	<u>-</u>	<u>20,000,000</u>	<u>(20,000,000)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<b><u>\$ 4,587,331</u></b>	<b><u>\$ 10,909,749</u></b>	<b><u>\$ 6,735,157</u></b>	<b><u>\$ 22,232,237</u></b>	<b><u>\$ 40,965,764</u></b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.