

2019 Coast Crown Tenure Management Cost Survey: Instructions (Cost Base 2018 Data Request)

**Note: updated requirements for the 2019 survey are found on page 13*

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Section 1 – List Of Acronyms

CAM	Coast Appraisal Manual
CFA	Community Forest Agreements
CCTMCS	Coast Crown Tenure Management Cost Survey
EBM	Ecosystem Based Management
FA	<i>Forest Act</i> (British Columbia)
FRPA	Forest & Range Practices Act (British Columbia)
GAAP	Generally Accepted Accounting Principles (Canadian)
HBS	Harvest Billing System
MFLNRORD	Ministry of Forests, Lands, Natural Resource Operations & Rural Development
TOA	Tenure Obligation Adjustments
CFA	Community Forest Agreements
WL	Wood Lot

Forest Districts:

DCR	Campbell River Natural Resource District
DCK	Chilliwack Natural Resource District
DKM	Coast Mountain Natural Resource District
DNI	North Island - Central Coast Natural Resource District
DHG	Haida Gwaii Natural Resource District
DSI	South Island Natural Resource District
DSQ	Sea to Sky Natural Resource District
DSC	Sunshine Coast Natural Resource District

Professional Designations:

CPA	Canadian Chartered Professional Accountant
RFP	Registered Forest Professional

Section 2 – Authoritative Guides For Policy, Definitions & Interpretations

Refer to the resources noted below, on-line at:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/coast-timber-pricing>

- 1) Coast Appraisal Manual, Ministry of Forests, Lands, Natural Resource Operations & Rural Development, effective for the survey cost base year. See link for the manual and associated maps:
- 2) Coast Market Pricing System - Coast Market Pricing System Tenure Obligation Adjustments information paper
- 3) Ecosystem Based Management and Clayoquot Sound: Please refer to the Coast Appraisal Manual

Section 3 - Scope and Requirements

The 2019 Coast Crown Tenure Management Cost Survey (CCTMCS) data is collected under the authority of the Province of British Columbia *Forest Act* Section 136. The data is collected for the establishment of stumpage values as well as to provide an economic and cost data source, for analysis within the ministry's branches as well as for the defense of litigation, softwood lumber and countervailing duties.

The cost data to be reported is for the 2018 calendar year and is comprised of the actual costs based on the company financial statements, prepared in accordance with generally accepted accounting principles and practice standards; tax and financial auditing standards issued in British Columbia (BC) and Canada (CPA: Canadian GAAP). Applicable Canadian Federal and BC Provincial forestry, environmental and other relevant legislation, for the conduct of coastal logging and coastal Crown tenure forest management operations must be adhered to in reaching the reported costs and volumes for this survey.

Production volume to be reported is based on the ministry's harvest billing record (HBS), billed volumes. The applicable total relevant survey volume to be reported for the survey is the comprehensive Provincial Coast Crown volume controlled by the company with a breakdown of the comprehensive managed volume in to detail volumes associated with the different management units, partnerships, joint ventures and so forth. The costs are the associated costs of that applicable survey volume with accounting accruals. Detail must be provided where average costing is not applied across the comprehensive harvest volume. The reporting period is the calendar year ended 2018 or the closest twelve month fit, thereof, when the year end is not December 31, 2018.

The survey template to be completed so as to report the 2018 cost and volume data is termed the 2019 (refers to the year of delivery) Coast Crown Tenure Management Cost Survey (CCTMCS) Template. In the past, Schedule A was termed the Logging Cost Survey which calculated the Total Delivered Log Cost only. The CCTMCS collects both the logging costs as well the specific Crown tenure management, Tenure Obligation Adjustments (TOA), costs for the various ministry stakeholder teams. Please note that for 2019, the former Schedule A.1 and A.2 have been merged in to a single schedule for reporting client and contractor, single and multi-phase contractor costs. Break downs in to phase activity is required.

This accompanying instructions booklet provides the required manner in which to complete the survey by the required time. The cost and volume definitions associated with the survey template are available in Section 4, 5 and Appendix I, II, IV of these survey instructions in conjunction with Section 2: Authoritative Guide For Definitions and Interpretations.

The survey is comprised of the following Schedules and Sub-Schedules:

1. Schedule A: Summary Schedule, Total Delivered Log Cost
2. Schedule B: Tenure Obligation Adjustments & Specified Operations.

The requirement to complete the survey, as instructed, in full, and submit the same to the ministry, by the designated date, is mandatory.

The submission deadline is Friday June 28th, 2019 by 4 pm (Pacific Standard Time).

The completed submission, marked confidential, is to be sent to the Ministry of Forests, Lands, Natural Resource Operations and Rural Development by email to the survey mailbox at FORCLCS@Victoria1.gov.bc.ca

Note: No exemptions, from completing the survey, are granted.

The survey is conducted in full electronic format i.e. “paper-less” office environment. The old survey street submission address and courier address noted below are to be used, only in extenuating circumstances, as a submission procedure.

Mail to: *Attn: Senior Timber Pricing Accountant (Coast)
Timber Pricing Branch
Ministry of Forests, Lands and Natural Resource
Operations PO Box 9511 Stn. Prov. Govt
Victoria, BC
V8W 9C2*

Courier to: *Attn: Senior Timber Pricing Accountant (Coast)
Timber Pricing Branch
Ministry of Forests, Lands and Natural Resource
Operations 1st Floor, 1520 Blanshard Street
Victoria, BC
V8W 3K1*

If you have questions regarding the survey, please contact:

Senior Timber Pricing Accountant (Coast)
Amali De Silva – Mitchell

Telephone: 250-387-8363

Email: FORCLCS@Victoria1.gov.bc.ca

Verification and Audit

The information provided to the Ministry of Forests, Lands, Natural Resource Operations & Rural Development, Timber Pricing Branch is used to calculate coast appraisal cost estimates for the stumpage appraisal system. In order to ensure the integrity and accuracy of information used in the appraisal system, the information provided by participating companies may be subject to verification and audit. Site visits to clients are expected to take place immediately following the submission deadline on a mutually agreed date. Expected client response time to ministry queries by email/fax or telephone call is two weeks, from the date of request, unless specified. General preparation and requirements for the site visit are found under Appendix III.

Record Keeping

It is recommended that a hardcopy of the completed survey be printed and retained as a record. In order to facilitate the verification and audit process, please ensure that all working papers used to complete the survey are retained. Data submitted must be consistent with the supporting financial information provided for audit and verification and must concur with any other data submissions, of the same data to other parties. Financial information should be retained in accordance with general business practice and statutory requirements.

Confidentiality & Authorization

All information provided to the Ministry of Forest, Lands, Natural Resource Operations & Rural Development, Timber Pricing Branch, is considered confidential and is protected from unauthorized disclosure in both the *Forest Act*, and the *Freedom of Information and Protection of Privacy Act*. See Section 6 for further information.

Copyright

The material refers to the 2019 Coast Crown Tenure Management Cost Survey package of documents provided in digital Excel Workbook, Word document, PDF and paper formats.

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Section 4 - Specification of Survey Format and General Instructions

Overall specification of 2019 Coast Crown Tenure Management Cost Survey Excel Workbook. Data capture is for cost base 2018.

Schedule A: Summary Schedule – Total Delivered Log Cost (TDLC)

Excel Workbook Tab(s):

- Schedule A.1 - Direct Logging Licensee and Single Phase Contractors
- Schedule A.2 - Direct Logging – Multi Phase Contractors (merged with A.1)
- Schedule A.3 - Indirect Logging Costs
- Schedule A.4 - Stumpage, Rents and Fees

Schedule B: Tenure Obligation Adjustments and Specified Operations

Excel Workbook Tab(s):

Tenure Obligation Adjustments:

- Schedule B.1: Road Management
- Schedule B.2: Engineering and Forestry
- Schedule B.3: Corporate General and Administration
- Schedule B.4: Silviculture Spending
- Schedule B.5: Road Survey
- Schedule B.6: Bridge Survey

Specified Operations:

- Schedule B.7: Inland Water Transportation
- Schedule B.8: Tree Crown Modification
- Schedule B.9: De-stumping
- Schedule B.10: Helicopter Single Standing Stem Selection
- Schedule B.11: Skyline
- Schedule B.12: Barging or Towing

Requirement:

Eco-system based management (EBM) and Clayoquot Operations are specified operations. Please complete these designated sub-categories / columns within each of the Schedules of the work book. The Coast Appraisal Manual defines EBM and Clayoquot operations for the purpose of defining eligible costs and volume allocations within the survey. Refer to the following sections within CAM.

4.4.3 Clayoquot Sound Operating Costs

"The Clayoquot Sound operational adjustment may be considered in the appraisal of a cutting authority that lies within that part of the Coast Area when the licensee has an approved forest stewardship plan which confirms with the land use objectives made applicable under the order by the Ministry of Agriculture and Lands pursuant to Section 93.4(1) of the Land Act entitled:

- a. Order Establishing Land Use Objectives for Clayoquot Sound dated May 28, 2008.

4.4.5 Ecosystem Based Management Operating Costs

"1. Except as provided in subsection (2) of this section, the ecosystem based management adjustment may be considered in the appraisal of a cutting authority area that lies within that part of the Coast Area when the licensee has an approved forest stewardship plan which conforms with the objectives listed under the Land Use Order to which land use objectives have been made applicable by orders made by the Minister, pursuant to Section 93.4 of the *Land Act* entitled:

- a) Great Bear Rainforest Order dated January 21, 2016; and
 - b) Haida Gwaii Land Use Objectives Order dated December 16, 2010, and as further Amendment pursuant to the *Haida Gwaii Reconciliation Act* and the *Haida Stewardship Law*, on April 2, 2014 and September 21, 2017.
2. The ecosystem based management adjustment shall not be considered in the appraisal or reappraisal of a cutting authority area that is authorized for harvest under:
- a) woodlot licence referred to in section 1(2); or
 - b) a community forest agreement or non-replaceable forest licenses that are referred to in Section 1(3) of the Great Bear Rainforest Order.

Please refer to the appropriate section within the Coast Appraisal Manual for further information and detail regarding the Eco-system Based Management and Clayoquot Sound Operating Cost geo-graphic areas.
https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/forestry/timber-pricing/coast-timber-pricing/coast-appraisal-manual/2018_cam_master_1.pdf

General Instructions

Please read and comply with the most recent publication of the following ministry documents, for all Schedules of the survey:

- Information Paper: Tenure Obligation Adjustments
- Coast Appraisal Manual
- These survey instructions and associated template

The up-to-date template for the 2019 cost survey must be used for data submission with compliance.

Schedule A identifies the costs related to logging and forest management so as to provide the total delivered log cost. Schedule A. 2 is merged with Schedule A.1 for 2019. Transfer the multi-phase contractor costs to Schedule A.1 and split the multi-phase costs using a reasonable cost estimation methodology in to the distinctive single phase costs. Note the cost estimation methodology utilized as a note to the Excel spreadsheet cell or on to the back cover of the survey itself. Schedule A must be reconciled to company financial statements to enable validation that a complete company cost profile as been reported.

Schedule B.1 to B.4 provide for costs related to Crown tenure forest management only. The costs on these schedules are brought forward in to Schedule A . This procedure eliminates any double counting amongst the schedules. The remaining Schedule B(s) pertain to Specified Operations data, and are Schedules that are stand-alone, with the exception of Schedule B.8 Tree Crown Modification where the summary line of this Schedule is moved forward in to Schedule B.2 Forestry and Engineering.

All schedules are split in to either EBM / Clayoquot and Non-EBM areas within applicable districts. Confirm the costs and volumes with the company accountants, foresters and relevant persons. Ensure the relevant regional, district and EBM boundaries have been accounted for. EBM costs are compiled from costs attributable to and directly associated with EBM camps.

In accordance with Canadian GAAP, the costs reported are those directly associated with the volume reported. When comprehensive dollar costs are unavailable from a partner in a joint venture for example, then report the dollars within the company's corporate control and that associated volume. It is mandatory to complete the reconciliation on Schedule A.4 identifies and reports the full billed HBS volume for the entity.

Complete the boxes within the spread sheets of the workbook 2019 Coast Crown Tenure Management Cost Survey Template in accordance with the instructions provided in this booklet. Eliminate any double counting.

To complete the survey, the reconciliation section found on Schedule A.4 must be completed, which assists with ensuring the completeness of the data set for the survey. Total Delivered Log Cost is reconciled to the total balance on the company's "expenditures portion / section" of an income and expenditure financial statement with respect to the reported period's expenditures for planning and harvesting of logs, with adjustments from the balance sheet and other relevant company financial statements for items such as silviculture liability so as to reach Total Delivered Log Cost (TDLC). Capital expenditure values are requested as a note within Schedule A. There will be "reconciling items" from TDLC to reach the company financial "expenses" statement and these are to be noted in the space provided on Schedule A.4.

Some cells have been noted as requiring further clarification under "specify". Make notes to the back cover of the survey or as a comment to the spread sheet cell.

The template is a fully functional Microsoft Office Excel 2010 version. Some cells have been linked, and some formulas provided for the ease of the user. However, please re-check all the data points to ensure that the formulas and links are working and make any adjustments as needed. Ensure that the data set is complete and accurate prior to submission. Do not forget to "save" from time to time. Passwords can be set as required.

The survey template prints to paper. Please keep a paper copy for your records. It is recommended that the supporting information be provided with the submission.

It is recognized that clients may customize the survey template for their own internal operational purposes from time to time. However, the requirement still remains for the client to populate the required data in the required format, requested for the survey submission, using the survey template provided. The client is responsible for the data that has been submitted to the ministry. Please ensure that the survey is certified and refer to Section 6 of these instructions for guidance.

IMPORTANT NOTICE FOR THE 2019 SURVEY

- Clients with HBS volumes of less than 120,000 m³ may elect to report only the specified and summary lines on Schedule A which are noted with “*”. All of Schedule B and Specified Operations must be reported.
- A new tip sheet to assist with completing the short form Schedule A is available.
- New Barging and Towing Schedule B.12.
- New column for district DSI-Clayoquot operations costs.
- All applicable line / row cost items, district and EBM / Clayoquot based values must be reported, including the associated volumes and heli-water volumes.
- Any individual phase cost estimations and allocations made, must be identified with a note to the relevant Excel spread sheet cell or to the back cover of the template / workbook.
- Eliminate double counting within any Schedule and eliminate double counting across schedules.
- Certification from a Chartered Professional Accountant (CPA) is required
- See update of Section 6 within these instructions.
- Completion of this survey is required, under authority of Section 136 of the Forest Act.
- No exemptions are granted from completing the survey.

Common Definitions Found Across Schedules A(s) and B(s)

Districts

Costs and volumes are to be allocated by Forest District for each cost category. Mixed districts with respect to EBM are split in to EBM and non-EBM costs and volumes so as to enable roll-up in to EBM and non-EBM costs and volume groupings.

Forest Districts: British Columbia Ministry of Forests, Lands, Natural Resource Operations and Rural Development forest districts.

- DCR split between EBM and non-EBM areas
- DCK non-EBM area
- DKM EBM area
- DNI split between EBM and non-EBM areas
- DHG EBM area
- DSI split between Clayoquot and non-EBM area
- DSQ non-EBM area
- DSC non-EBM area

£Non-EBM

Sum of costs for Non-EBM costs and volumes per cost category from roll-up of district based values or sum of Non-EBM camps.

£EBM

Sum of costs for EBM costs and volumes per cost category from roll-up of district based values or sum of Non-EBM camps.

Total \$

Sum of Non-EBM and EBM costs.

Volumes:

Total Corporate Production Volume (m3):

The total volume of logs harvested on all lands i.e. private, Provincial, Federal, and Municipal lands on the coast and in the interior as well as outside the province of British Columbia (where applicable). Volume amounts are to be reported throughout the survey in cubic metres (m3) based on the ministry's Harvest Billing System billed records, before any adjustments for inventory / "scale and loss" factors and excluding waste.

Total Coast (Provincial) Crown Production Volume and HBS Volume (m3):

The total volume of logs harvested by company crews, single-phase and multi-phase contractors on coastal Provincial Crown land, which is the relevant volume base for the survey. Exclude all volume related to logs harvested on private, Federal, municipal land, from joint arrangements, woodlots, CFAs or the interior.

Volume amounts are to be reported throughout the survey in cubic metres (m3). Production volume refers to the company's own record of billed volume and HBS volume refers to the volume based on the ministry's Harvest Billing System billed records, before any adjustments for inventory / "scale and loss" factors and excluding waste.

Relevant Production Volume (m3):

The total volume of logs harvested by company crews, single-phase and multi-phase contractors on coastal Provincial Crown land for a particular phase or Schedule. Exclude all volume related to logs harvested on private land, from joint arrangements, woodlots, CFAs or in the interior. Volume amounts are to be reported throughout the survey in cubic metres (m3) based on the ministry's Harvest Billing System billed records, before any adjustments for inventory / "scale and loss" factors and excluding waste.

Phase Volume (m3):

The total actual Relevant Volume across all Coastal districts associated with a particular phase or cost category / line item prior to inventory adjustment. The total on any particular Schedule will be the volume associated with the sum of the volume of any parallel phases / the comprehensive total volume associated with that particular Schedule.

Heli-water Drop Volume (m3):

Volume associated with harvesting carried out by helicopter to a water drop location. This is a sub-set of Relevant Production Volume which is the total volume of logs harvested by company crews, single-phase and multi-phase contractors on Crown land. Exclude all volume related to logs harvested on private land, from joint arrangements, woodlots, CFAs or in the interior. Volume amounts are to be reported throughout the survey in cubic metres (m3) based on the ministry's Harvest Billing System billed records, before any adjustments for inventory / "scale and loss" factors and excluding waste.

Note:

Managed volume refers to the volume under management by the coastal forestry section of the entity which includes partnerships and so-forth

Controlled volume refers to the volume under the direct operating control of the coastal forestry section of the entity.

Section 5 Instructions For Individual Schedules

Cover

The image shows a screenshot of a spreadsheet titled "2019 Coast Crown Tenure Management Cost Survey Template". The spreadsheet is open to the "Cover" sheet. The title is in bold blue text. Below the title, it says "Cost and Volume Data For Fiscal Year Ending December 31, 2018 or best fit (Cost Base 2018)". The submission deadline is "June 28, 2019 by 4pm to email: FORCLCS@Victoria1.gov.bc.ca". The form contains several input fields: "Licensee:" with a "Please Complete" placeholder; "Reporting Period (Month / Year)" with "From:" and "To:" fields; "Licenses:" with a "Please Complete: List License(s)" placeholder; "Certification:" with a "Please Complete" placeholder and a note "CPA or Senior Financial Officer (of submitter) on behalf of the company."; and "Licensee contact:" with a "Please Complete" placeholder and a note "Name of External CPA Auditor or Reviewer" and "Canadian CPA Assurance: External Auditor / Reviewer / Comp". The spreadsheet has columns A through N and rows 1 through 10. The "Cover" sheet is highlighted in the bottom tab bar.

Type the information requested in the boxes provided.

*Licensee

Licensee company name

*Licensee contact

Name of the company representative submitting the survey on the company's behalf. Include the email address of the representative in the space below.

*Reporting period

This is the 12 month fiscal period that the cost data is being submitted for. The cost data requested is for the calendar year or the closest fit there of when the fiscal year does not end on December 31, 2019.

*Licenses

List the company's coastal Provincial Crown forestry licenses.

*Certification

The survey once completed and prior to submission must be certified, that it is complete and accurate, reflecting the true costs of the licensee, by a Canadian Chartered Professional Accountant (CPA), Senior Financial Officer or CPA for the company and a registered professional forester, Canadian RPF. See Section 6 for further information.

Schedule A: Summary Schedule - Total Delivered Log Cost

Schedule A.1 – Direct Logging Licensee and Single Phase Contractors

2019 Coast Crown Tenure Management Cost Survey Template
 Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch
Schedule A.1 & A.2 (merged)
Direct Logging Costs (DLC): Single & Multi Phase Contractors or Client Teams

(Please identify estimated breakdowns with a note to the cell)

Districts	District Cost									
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM	DSI-C	
Falling and bucking										
Yarding (non-heli; single phase)										
Loading (single phase)										
Yarding and loading (multi-phase)										
Helicopter yarding (regular)										
Heli-Select										
Skyline: single phase from Sch B.11										
Heli. single standing stem selection:from Sch B.10										
Heli water drop										
Hauling (truck)										
Dump, sort, boom (multi-phase) summary:										
Inland water transportation: from Sch B.7										

Please refer to Appendix 1 prior to completing this schedule.

Definitions

Falling and Bucking

The total cost of falling, bucking, de-limbing and processing, snag falling and danger tree falling, including right-of-way. Includes both hand falling and falling by mechanical means for all harvesting systems. Include falling and bucking by licensee or single-phase contractor for volumes associated with single-phase helicopter yarding operations.

Yarding

The total cost to move logs from stump to landing. Include landing construction, back spar trail construction, equipment moving, rigging from setting to setting, and all creek cleaning associated with the yarding process (including post-harvest creek cleaning). Exclude: helicopter costs as they are reported elsewhere. Cost of moving yarding equipment between camps are to be reported under Operations General and Administration.

Loading

The total cost to transfer logs from landing(s), windrow pile(s), or right-of-way to a conveyance, usually a truck trailer, in preparation for hauling to a second concentration point. Includes equipment moves, bucking at landing, “on block” ditch cleaning and debris piling done by log loading equipment during the initial harvest. Exclude reloading at transfer point or dry land sort storage area for subsequent move by other means of transportation, which should be reported under Dump, Sort, Boom and Rehaul.

Helicopter Yarding

The total cost to use helicopters to yard felled trees from the hillside. Include helicopter yarding costs related to single-phase contracts. Exclude all falling and bucking, choker chasing, bag booming, towing of bag boomed logs to local tie-up or sorting area, crew transportation (by air, water, or land), and camp mobilization/demobilization costs from this phase and report under the relevant logging phase.

Skyline: single phase from Sch B.11

Please insert the costs calculated under Schedule B.11 for single phase skyline.

Heli. single standing stem selection (HSSSS): from Sch B.10

Please insert the costs calculated under Schedule B.10 for single phase HSSSS.

Heli-water drop costs

A method of helicopter yarding where suspended logs are taken from a cut block and dropped directly into water.

Hauling (truck)

Include all costs to transport logs by truck from the woods landing to a dryland sort, booming ground, or other destination. Does not include re-load or re-haul functions, which should be included in Dump, Sort, Boom and Rehaul. Exclude low bedding function when used to move harvesting equipment between settings; these transportation costs should be reported in the relevant logging phase.

Relevant Volume For The Phase

Report the total actual volume of logs hauled by truck for the year being surveyed.

Dump, Sort, Boom (single and multi-phase)

Include all costs related to dumping, sorting, and preparation of logs for transportation to market. Includes offloading, dewatering, grading, banding, bundling, debris handling and removal, booming, barge tending, re-load and re-haul, central sorts and forwarding logs in reach of barge cranes. Includes the debris handling and removal costs of: cleaning the sort yard of woody debris, removal of the debris, transport of debris to approved dumping site, disposition (bury/burn/hog) of debris, transport of hogged debris to final disposal site. Debris handling costs are to be reported net of any money recovered.

Includes re-load and re-haul costs of loading and hauling logs from a dryland sort not at tidewater to a dumping facility located at tidewater, or vice versa where appropriate.

Central sort charges may be incurred for:

- booming of sorted barged logs, dewatering,
- dryland sort processing, re-dumping, re-booming of camp run log booms
- de-boom, re-sort, re-boom of mixed sort booms

Includes lease expenses associated with equipment used in the dump-sort-boom process and new dry land sorts.

Exclude:

Movement of logs from point of dump to local tie-up ground, as these costs are reported separately.

Depreciation on equipment used in the dump-sort-boom process, new dry land sorts and capital improvements to existing dry land sorts, as these costs are reported separately.

Scaling costs, as they are reported separately.

Relevant Volume

Report the total volume of all logs processed through the dry land sort through the booming process. If costs for logs from private land cannot be excluded, then include all volume associated with logs harvested from private land and purchased wood and in this case the volume pertains only to the phase and not the Schedule.

Inland water transportation: from Sch B.7

Please insert the values from Schedule B.7

Re-haul, de-water, re-load

Costs associated with additional re-haul, de-water and re-load which are not included in hauling or dump, sort and boom.

Towing to Local Tie-ups

The total cost to move logs by towing by water to the local tie-up grounds, excluding towing and barging between tie-up grounds. Towing costs begin to accrue when tugs connect tow ropes to market destined log booms at the central sort works (where applicable) en-route to the local tie-up grounds.

Storage: logs only, prior to transfer to mill, sale etc.

Residual costs associated with the storage of logs only, not lumber, prior to sale or transfer to mill inventory, or other party not accounted for under any other phase.

Relevant Volume

If costs for logs from private land cannot be excluded, then include all volume associated with logs harvested from private land and purchased wood and in this case the volume pertains only to the phase and not the Schedule.

Barging and Towing to Final Destination

The total cost to move logs by barging and towing from the local tie-up grounds to market destinations, including towing and barging between tie-up grounds. Barging costs

begin to accrue after logs are forwarded in reach of barge cranes, and once log loading has begun. Costs continue to accrue after tow lines are attached to barges after loading, or when self-propelled barges are finished loading and begin underway to final destination from local tie-up.

Scaling

The total cost to scale the total production volume. Include both weight scaling and log scaling costs.

Other (specify; cost recoveries are a negative number)

Any other costs associated with direct logging and single phase contractors that are not allocated. Please add recoveries as a negative number.

Schedule A.2 - Direct Logging: Multi Phase Contractors (Merged with Schedule A.1)

Merge the data for this Schedule with Schedule A.1 using the broad definitions found below. Please refer to Appendix 1 prior to completing this schedule. Note any methodology used for individual phase cost allocations / estimations as notes to the spread sheet cell and to the back-cover page.

Multi-phase Contractors

Multi-phase contractors operate completely independently of licensee operations, in the phases covered by the contract. Please refer to logging definitions under Schedule A.1 as they pertain to Schedule A.2 as well.

Definitions

Direct Logging – Multi-Phase Conventional Logging

Report the total cost of all multi-phase (one or more phases) logging contracts, excluding helicopter multi-phase contracts that are reported separately. Exclude all licensee costs incurred to support the multi-phase logging contracts, as these costs are reported separately in Direct Logging – Licensee and Single-phase Contractors, Engineering and Forestry or Operations General and Administration, as appropriate. Definitions for each phase of the multi-phase contract are found under single phase contractors Sch A.1.

If actual costs of each component of the multi-phase contract are available, then list each item on a separate line at: **“Note phase:”**. If estimates of costs are being made, then list the phases and make a note to the relevant cell providing the percentage cost estimate for each phase.

Relevant Volume

Report the total actual volume of logs produced by multi-phase contractors (excluding volume from helicopter multi-phase contracts that is reported separately) for the year being surveyed.

Helicopter Logging

The total cost of multi-phase helicopter contracts, excluding single-phase helicopter yarding and Helicopter Single Standing Stem Selection costs that are reported separately.

Includes costs related to ‘land drop,’ ‘water drop,’ or ‘barge drop’ operations. A water drop occurs when the helicopter carries the logs from the hillside to the water. A land drop occurs when the logs are carried from the hillside by helicopter to land, re-handled on land, and hauled by logging truck. A barge drop occurs when the logs are carried from the hillside by helicopter to a floating barge, re-handled on the barge, dumped into the water, and towed to a secondary location.

Costs for these activities may be borne by the licensee or the contractor. Exclude all licensee costs as these costs are reported separately.

Water drop operation costs include falling and bucking, helicopter yarding, choker chasing, bag booming, towing of bag boomed logs to local tie-up or sorting area, crew transportation (by air, water, or land), and camp mobilization/demobilization.

Barge drop operation costs include falling and bucking, helicopter yarding, choker chasing, rental/lease costs of the barge, bag booming, towing of bag boomed logs to local tie-up or sorting area, crew transportation (by air, water, or land), and camp mobilization/demobilization (including barge movement).

Land drop operation costs include falling and bucking, helicopter yarding, logging truck loading, landing construction, crew transportation (by air, water, or land), and camp mobilization/demobilization.

Licensee costs incurred to support helicopter logging operations (i.e. landing construction, tree falling, loading, etc.) are reported separately in Direct Logging – Licensee and Single-phase Contractors, Engineering and Forestry or Operations General and Administration, as appropriate.

If actual costs at each sub-phase of the multi-phase contract are available list them under a separate line: **“Note phase:”**. If estimates of costs are being made, then list the phases and make a note to the relevant cell providing the percentage cost estimate for each phase.

Relevant Volume

Report the total actual volume of logs produced by multi-phase contractors (excluding volume from helicopter multi-phase contracts that is reported separately) for the year being surveyed

HSSSS

Refer to definitions found under Schedule B.10 for single phase HSSSS.

Other bundled phases

Please provide a phase activity breakdown if costs are noted under this category.

For all other definitions please refer to definitions under Schedule A.1

Schedule A.3 – Indirect Logging Costs

2019 Coast Crown Tenure Management Cost Survey Template

Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule A.3

Indirect Logging Costs (ILC)

(Please identify estimated breakdowns with a note to the cell)

Districts	% OnBlock	District Cost						
		DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DH
Road construction spending / cost - Primary roads								
Road construction spending / cost - Secondary roads								
Road construction spending / cost - Onblock (spur/spar) road								
Log dump and sort construction spending / cost								
Road construction amortization - Primary roads								
Road construction amortization - Secondary roads								
Road construction amortization - Onblock (spur/spar) roads								
Log dump construction: amortization								
Rail road construction: amortization								
Rail road construction: maintenance / reconstruction spending / cost								
Bridge construction spending / cost - on primary road from Sch B.6								
Bridge construction spending / cost - on secondary road from Sch B.6								

Please refer to Appendix 1 prior to completing this schedule.

Definitions

Road, log dump, bridge, buildings and equipment construction

- Primary, mainline roads
- Secondary, branch roads
- On-block, spur and spar roads
- Log dump
- Bridge on mainline roads
- Bridge on branch roads
- Bridge on on-block, spur and spar roads
- Buildings
- Equipment

Full costs associated with construction for that category to finished grade, for the survey year including accruals. Do not include amortization costs. Construction of landings is a Yarding activity, not a Road Construction activity. Include costs of log dumps. Include any cost adjustments for road and log dump amortization for previously built items. Exclude the costs of right of way falling, crew transportation, or overhead

costs of indirect supervision/coordination and engineering. Bridge costs refer to new bridge and new approach works costs only.

Road, log dump, bridge, rail road, buildings and equipment construction:

Amortization, depreciation or depletion

Amortization, depreciation or depletion resulting from the total cost of initial construction and betterments.

Reconstruction and replacement

Costs associated with the replacement, repair or betterment of an existing structure that are not included in maintenance.

Rail road construction: amortization & maintenance

Amortization resulting from the total cost of initial construction of the rail road to provide access to future/planned logging sites/openings. Includes all activities required to develop a finished standard. Construction of landings is a Yarding activity, not a Road Construction activity. Exclude the costs of right of way falling, crew transportation, or overhead costs of indirect supervision/coordination and engineering.

Maintenance to retain the operation of the rail road is to be included.

Road Management

This item is calculated for under Schedule B.1. Insert the total in this spreadsheet cell. The Relevant Phase volume is the applicable volume for Road Management

Engineering and Forestry

This item is calculated for under Schedule B.2. Insert the total in this spreadsheet cell. The Relevant Phase volume is the applicable volume for Engineering and Forestry

Basic Silviculture Spending, Accrual and Planned Costs

This item is calculated for under Schedule B.4. Insert the total in this spreadsheet cell. The Relevant Phase volume is the applicable volume for the Basic Silviculture Accrual.

Incremental Silviculture Spending, Accrual and Planned Costs

This item is calculated for under Schedule B.4. Insert the total in this spreadsheet cell. The Relevant Phase volume is the applicable volume for Incremental Silviculture.

Crew transportation and labour not included within other phases, non-camp

All freight costs that are not allocated directly to operating phases, or attributed to situations where freight in/out of the camp must be by water or air transportation.

All costs of contracted aircraft (fixed and rotary wing) services that are not allocated directly to operating phases and not used for crew change transportation.

Vehicles: All costs of owning, leasing, operating, and maintaining the operation's land-based vehicles (busses, crummies, ambulances, pickups, camp service, etc.). Including all costs of owning, leasing, operating, and maintaining the operation's water-based vehicles (crew boats).

Compensation and Benefits: Include all salaries, wages, and benefits of salaried employees, excluding the forestry, engineering and protection staff. Payroll loading factors must be documented and be consistently applied throughout the survey.

Camp operations and overhead

General labour and supplies, contracted services, lease, and maintenance of camp facilities (net of any cost recoveries).

All training expenses those are not included in the labour component of the operating phases. Facilities: Include direct costs of camp facilities such as operation of cookhouse/bunkhouse, net of any cost recoveries, and operation of other camp buildings and camp infrastructures (light plant, fuel farm, utilities, etc.).

Compensation and Benefits: Include all salaries, wages, and benefits of salaried employees, excluding the forestry, engineering and protection staff. Payroll loading factors must be documented and be consistently applied throughout the survey.

Operations General and Administration not included under camp operations

Include general and administrative expenses that are directly attributable to the logging operation at all levels of the company that are not allocated under *crew transportation and labour or camp operations and overhead*.

Compensation and Benefits: Include all salaries, wages, and benefits of salaried employees, excluding the forestry, engineering and protection staff. Payroll loading factors must be documented and be consistently applied throughout the survey. Refer to Appendix I.

Other Indirect Costs – Logging (please specify)

Other costs associated with the logging operations that have not already been included elsewhere. Include such costs as severance payments and early retirement costs. Exclude expenses that are completely chargeable to departments other than logging e.g. advertising and promotion; research and development (other than for Crown tenure forest management) and so forth but which are present in the regional / divisional operating statements for the company.

Costs that are to be excluded from Indirect Logging Costs are the same as those costs that are in-eligible for tenure obligation adjustments as they do not relate directly to logging or forest management. Refer to Appendix I for a full list of eligible and non-eligible items for Crown tenure forest management.

Retain an itemized list of costs included under this category.

Other Costs (please specify)

Other costs associated with Crown tenure forest management operations that have not already been included elsewhere under the cost survey Schedule A logging costs or Schedules B (road management, Engineering and Forestry, general and administrative expenses, silviculture and specified operations) are also to be placed under this category. These would be costs for example that the BC Timber Sales bidder incurs.

Exclude expenses that are completely chargeable to departments other than Crown forest tenure management e.g. advertising and promotion; research and development (other than

for Crown tenure forest management) and so forth but which are present in the regional / divisional operating statements for the company.

Costs that are to be excluded are the same as those costs that are in-eligible for Crown tenure obligation adjustments as they do not relate directly to Crown tenure forest management. Refer to Appendix I for a full list of eligible and non-eligible items for Crown tenure forest management.

Retain an itemized list of costs included under this category.

Waste Assessment Costs

These are a cost that a BC Timber Sales bidder incurs and hence an ineligible cost under the forestry and engineering tenure obligation adjustment. Include costs for carrying out waste assessments (in-house or contractor fees), that in prior years were recorded under schedule B.2 Engineering and Forestry.

Sort and Log Dump Operations Costs

Costs not included under single or multi-phase contractors and pertaining to client own or rented / leased operations. Includes wages, safety, log inventory management, environmental monitoring, fish habitat (Federal), administration, repairs and maintenance, logistics operations costs (radio etc.) that are not log trading and supply costs associated under Schedule B.3. or associated with any other Schedule A cost.

Schedule A.4 – Stumpage, Rents and Fees

2019 Coast Crown Tenure Management Cost Survey Template

Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule A.4

Stumpage, Rents & Fees (SRF); Total Delivered Log Cost (TDLC)

(Please identify estimated breakdowns with a note to the cell)

District	District Cost							
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM
Total Coast (Provincial) Crown Corporate Managed Production Volume (HBS Volume m3):								
Total All Phase Relevant Coast (Crown Tenure) Corporate Controlled Production Volume (HBS Volume m3)								
Crown (Provincial): (1) stumpage								
(2) annual rent								
(3) fees, rents, licenses and charges								
Federal, municipal and other rents, fees and charges								
Road access fees								
Sub-total Stumpage, Rents and Fees								
Total Divisional Log Cost (Sch A1+A2+A3+A4)								
Corporate general and administrative: from Sch B.3								

Please refer to Appendix 1 prior to completing this schedule.

Definitions

Total Coast (Provincial) Crown Managed Production

Volume

Provincial Crown:

Stumpage

The total amount paid to the Government of British Columbia for Crown timber, including residue and waste payments.

Annual Rents

Include all rents paid under Section 111 of the *Forest Act*.

Fees, licenses and charges

Fees, Taxes on Stumpage Bearing Timber Allowable costs include:

Park and Other Permit Fees: Fees paid for park use permits, special permits, crossing permits, water licence permits and permit fees of a similar nature.

Foreshore Leases: Annual cost of foreshore leases.

Land Leases: Include all payments made to private individuals and First Nations for the annual cost of land leases and payments made for upland consents.

Land Improvement Taxes: Includes property taxes paid to a municipal or provincial government for general and school purposes for:

- Land and improvements relative to camp site and camp buildings, roads and bridges used in logging operations and immediately adjacent land if its forms an integral part of the operation
- Unimproved land used in active logging operations (i.e. sort yard, dumping grounds, reloads etc.

Logging, other corporate and personal taxes are dis-allowed for the calculation of Divisional Log Cost.

Federal, municipal and other rents, fees and charges

Rents, fees and charges pertaining to Federal, Municipal, First Nations and other Canadian jurisdictions and bodies.

Road access fees

Include all payments made for road use or road access for roads on an Indian reserve or on private land owned by a third party at arm’s length and not subject to a lease held by the licensee, its affiliate or agent of either the licensee or the third party. Does not include amounts paid to or received from other Licensees for road use fees; these amounts should be reported under Road Management under Sch B.1, net road use charges.

Corporate general and administrative: from Sch B.3

Transfer the values from Schedule B.3 in to this location.

Financial statement reconciling items: regional / divisional costs and recoveries not noted within total delivered log cost

Complete the reconciliation section found on Schedule A.4 of the template which assists with ensuring the completeness of the data set for the survey. Total Delivered Log Cost is reconciled to the total balance on the company’s “expenditures portion / section” of the income and expenditure financial statement with respect to the reported period’s expenditures for planning and harvesting of logs. Adjustments from the balance sheet and other relevant company financial statements, for items such as silviculture liability are applied so as to reach Total Delivered Log Cost (TDLC).

There will be “reconciling items” from TDLC to reach the company financial “expenses portion” of the income and expenditure statement and these are to be noted in the space provided on Schedule A.4. at the rows(s) noted:

“List items”

Please add further rows to the spreadsheet to assist with inclusion of all the reconciling item entries. The items will be debits or credits depending on the nature of the reconciling item’s balance.

Reconciled total financial statement expenditures (overall company / divisional) for the period *(should be the same as the financial statement):*

This reconciled balance following adjustments to TDLC will be the same as the company’s “expenses portion” of the financial statement (sub-section of the income and expenditure statement)

Completion of the reconciliation involves reconciling the harvest volumes so as to reach the matching / associated billed volume (m3) base for the costs. Insert the volumes associated with:

Total production:

This is the total company production volumes according to the company production volume inventory system.

Joint arrangements:

Deduct log volumes for adjustments made to costs for TDLC that are part of a joint arrangement, partnership, fee sharing structure etc. that does not constitute the owned Crown volume of the company.

Less: Private etc.:

This is log volume harvested on private land, First Nations, Federal or other none Provincial Crown land.

Less: Woodlots & CFAs:

This is volume from Woodlot and Community Forest Agreement (CFA) partnerships

Inventory Adjustment:

Adjustments for scale and loss factors and other inventory reconciling volume

Adjusted Volume:

This is the reconciled volume from the financial statements and should be the same as the total volume noted for the survey for TDLC and Schedule B.3.

Ensure double counting is eliminated across and within all schedules of the workbook.

Schedule B: Tenure Obligation Adjustments and Specified Operations

Schedule B.1- Road Management

2019 Coast Crown Tenure Management Cost Survey Template

Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.1

Road Management (RM)

(Please identify estimated breakdowns with a note to the cell)

Districts	District Cost								
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM	DSI-Clay
Total Coast (Provincial) Crown Volume (m3)									
Heli-water drop volume(m3)									
Road routine maintenance(\$)									
Log dump routine maintenance(\$)									
Fish habitat routine maintenance(\$)									
Road deactivation(\$)									
Net road use charges(\$)									
Travel & FN consultation costs(\$)									
Other road management costs(\$) (specify)									
Interphase transfers in(\$)									
Interphase transfers out(\$)									
Recoveries (negative number)(\$)									

Please refer to Appendix 1 prior to completing this schedule.

Context

The cost to upkeep of the mainline and branch road systems, the reconstruction and replacement of bridges and running surfaces of major mainline and branch roads, and the permanent or semi-permanent deactivation of roads upon the completion of harvest. Include all labour, maintenance, and supplies as required in the phase. Split costs into the licensee / single phase contract and multi-phase contract categories.

Definitions

Routine Maintenance

Includes temporary deactivation, grading, brush control, minor surfacing repairs, sanding, snowploughing, ditch maintenance and repair, bridge plank replacement (not the entire deck) or gravel replacement (not the entire deck surface), slough removal, waterbar construction for seasonal erosion control, and minor repairs to roads due to slides, erosion, or flood damage.

Deactivation

Includes both permanent and semi-permanent, and is the broad category for reporting the total costs of all the functions required to return roadbeds to a stable state following completion of harvesting. Generally, this includes: windrow breaching, water bar and cross ditch construction, culvert and bridge removal, pull back of sidecast fill and re-vegetation of exposed soils. Temporary deactivation is included with Routine Maintenance. Does not include road rebuilding for silviculture purposes, which is included in the Silviculture Accrual.

Net Road Use Charges

Include amounts paid to or received from other Crown Licensees for road use fees related to the maintenance of primary and secondary access roads.

Travel & FN Consultation Costs

Subject to availability of cost data, travel costs to remote locations and First Nations consultations costs related to the schedule.

Other road management costs (specify)

Cost pertaining to road management that does not fit under any of the defined categories. Please add notes to the back-cover page regarding the nature of these costs with their associated value.

Recoveries (negative number)

Costs from arrangements such as partnership, proceeds of insurance, grants and other funding etc.

Bridge routine maintenance

Maintenance for bridges. These costs are accounted for in the appraisal.

Road reconstruction and replacement

Includes the replacement or repair of a major drainage structure, major reconstruction or resurfacing of a section of road due to extensive 'wear and tear,' the road has been abandoned, or due to a water or slope failure 'event.' A water or slope failure 'event' is the result of an irregular natural occurrence that leads to the blockage or destruction of a road or bridge making the road or bridge impassable for vehicle traffic. When reporting storm damage costs, ensure the costs are net of any insurance recoveries.

Schedule B.2- Engineering and Forestry

2019 Coast Crown Tenure Management Cost Survey Template
 Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.2

Engineering & Forestry (E&F)

(Please identify estimated breakdowns with a note to the cell)

Districts	District Cost							
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM
Total Coast (Provincial) Crown Volume (m3)								
Engineering(\$)								
Maintenance: road, bridge, log dump, fish habitat								
Construction: road, bridge, log dump, fish habitat								
Resource management								
Cut block layout								
Forestry costs (e.g.Yew-id) within HSSSS								
Travel & FN, heritage, archeology consultation costs								
Other (specify;cost recoveries are a negative number)								
Sub-total engineering(\$)								
Forestry (\$)								
Fire protection and control								

Please refer to Appendix 1 prior to completing this schedule.

Definitions

Context

Engineering

Total Engineering costs represent the aggregate cost of all engineering department costs. Costs to be included in this category include salaries, wages, benefits, consulting fees, contract services, supplies, building occupancy, transportation, etc. These costs are not reported elsewhere and are specific to the engineering function.

Payroll loading factors must be documented and be consistently applied throughout the survey.

Allocate engineering costs in the following cost categories:

- Maintenance: Road, bridge, log dump, fish habitat maintenance
- Construction: Road, bridge, log dump, fish habitat construction
- Resource management
- Cut block layout
- Yew tree identification costs

- Other: Include other costs that have not already been included above and pertain to engineering costs. Please specify.

If an estimation of phase cost is made from an overall cost value, then note the percentage allocation amongst cost categories with the note to the individual cells on the Excel spreadsheet.

Travel & FN Consultation Costs

Subject to availability of cost data, travel costs to remote locations and First Nations consultations costs related to the schedule.

Context

Forestry are the activities pertaining to the management of the Crown Forest tenure. Select specified operations form part of this group of activities and are brought forward from the separate specified operations schedule(s), in to this schedule so as to reconcile the overall costs associated with this schedule.

Forestry

Include costs related to forest management (net of any recoveries), cruising, environmental protection measures (including hydro and other seeding), along with silviculture overheads. Exclude any basic silviculture costs such as brushing, weeding, planting and surveys, as these costs are reported separately. Exclude costs of performing residue and waste surveys these costs are to be placed in Schedule A.

Fire Protection and Control

The total cost of all fire protection and fire functions. Costs may include Forest Industry Flying Tanker (FIFT) dues and billings, firefighting equipment (if not included in Operations General and Administration), and all related contract costs.

Insect and Disease Control

The total cost of all insect and disease control functions. Costs may include any amount paid for the direct treatment of insect or disease threatened timber. Exclude any costs for de-stumping for root disease control, as these costs are reported separately.

Tree Crown Modification - Specified Operation

Sourced from the specified operations schedule. Eliminate any double counting.

De-stumping For Root Disease Control -Specified Operation

Sourced from specified operations schedule. Eliminate any double counting.

Fish Habitat Conservation (Specify Federal and Provincial)

As required under FRPA but does not include cost of constructing habitat compensation as required by Fisheries and Oceans Canada as a condition of the log dump site approval.

Net gain of habitat has three goals:

1. Fish Habitat Conservation

2. Fish Habitat Restoration
3. Fish Habitat Development

Forest Management Activities

Include all forest management activities not specifically reported elsewhere (i.e. Fire Protection, Insect and Disease Control, Basic or Incremental Silviculture). Costs to be included in this category include salaries, wages, benefits, consulting fees, contract services, supplies, building occupancy, transportation, etc. These costs are not reported elsewhere and are specific to the forest management function. Payroll loading factors must be documented and be consistently applied throughout the survey.

Exclude from this schedule costs that are reported under specified operations: de-stumping for root disease control and tree Crown modification.

Other (cost recoveries are a negative number)

Costs those are applicable for this schedule and not allocated under a defined cost category. Please include recoveries as a negative number. Please specify.

Schedule B.3- Corporate General and Administration

2019 Coast Crown Tenure Management Cost Survey Template

Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.3

Corporate General & Administration (CG&A)

(Report camp and logging operations costs on Schedule A.3)

Volume:	€Non-EBM	EBM&Clay^\$	Tot
Total Comprehensive Corporate Managed Production Volume (HBS Volume m ³)			
Total Coast (Provincial) Crown Corporate Managed Production Volume (HBS Volume m ³):			
Total All Phase Relevant Coast (Crown Tenure) Corporate Controlled Production Volume (HBS Volume m ³)			
Corporate overhead percentage allocation calculation	Costs		
Total coast logging salaries and wages(\$)			
Total corporate (overall company) salaries and wages(\$)			
3 Percentage of Coast to overall corporate wages & salaries (%)			#DIV
Section A Head Office: calculation of net corporate expenses to be partially allocated to coast logging operations(\$)			
Total corporate general and administrative expenses			0.0
1 Less: expenses to be fully 100% allocated to coast forestry operations ""			0.0
2 Less: log trading and supply (SG&A) expenses noted in Section B ""			0.0
Less: deductions (ref: TOA information paper)(\$)			0.0

General & Administration Expenses Overview:

Please refer to Appendix 1 prior to completing this schedule.

Corporate overhead percentage allocation calculation:

The purpose of this section is for the calculation of the percentage of eligible corporate general and administrative expenses based on coast logging salaries and wages divided by total corporate salaries and wages. This percentage is used to calculate the indirect overhead costs associated with the coast.

Definitions

Total coast logging salaries and wages

Report the total compensation and benefit costs associated with all employees involved with coastal logging and forest management operations. Payroll loading factors must be documented and be consistently applied throughout the survey.

Total corporate salaries and wages

Report the total compensation and benefit costs of all employees. Payroll loading factors must be documented and be consistently applied throughout the survey.

Percentage of Coast to overall corporate wages & salaries (%)

This number should auto calculate and is the percentage of:

Total coast logging salaries and wages / (divided by) Total corporate salaries and wages
(##)

Calculation of net corporate (head office) expenses to be partially allocated to coast logging operations (Section A):

The purpose of this section is to allow for the TOA, a portion of corporate head office overhead (indirect cost) associated with the coast, based on the percentage of coast salaries to overall company salaries.

Total corporate and general administrative expenses (Section A)

These are expenses incurred by the head office of the company only. These expenses are those directly attributable to coast Crown tenure forest management only. Refer to Appendix I for eligible expenses for this category.

Less expenses to be fully allocated to coast forestry operations

Expenses originating from head office expenses as noted above, but which pertain to coast Crown tenure forestry management operations only. Include all expenses that are 100% chargeable to coastal Crown forest tenure operations. These expenses are excluded for the purposes of calculating the allocation ratio, but are added back in, to arrive at the total amount "total corporate expenses to be allocated to coast forestry operations." Refer to Appendix 1 for guidance on eligible costs.

Less log trading and log supply expenses noted under Section B**

If corporate head office expenses include coastal Crown volume log trading and supply please deduct for these amounts at this point as they will be included under Section B **.

Less Deduction

Deductions are for in-eligible or unacceptable costs made for expenses that are not attributable to the support of the company's coastal Crown forest tenure operations management. Ineligible or unacceptable costs are expenses characterized as "not directly attributable to forest management". Please refer to Appendix 1 for a list of examples.

Total corporate (regional) expenses to be allocated to coast logging operations (Section B):

The purpose of this section is to allow for the direct coast regional overhead expenses to be included for the TOA.

Coast forestry department

These are the General and Administrative expenses that pertain to the regional (coastal) head offices of the company. This should not be mistaken with the general and administrative expenses found in Schedule A which relate to the logging operations only and is independent from the amount from Schedule B.3 Section A * above which is

related to corporate headquarters / head offices. Pro-rate costs by volume so as to report costs 100% attributable to Crown tenure forest management only. Refer to Appendix 1 for guidance.

Travel & FN, heritage, archeology consultation costs (optional detail)

Subject to availability of cost data, travel costs to remote locations and First Nations consultations costs related to the schedule.

Log trading and log supply expenses () - general overview**

Include general and administrative expenses that are incurred by the company's head office **and/or** regional offices for the log trading and log supply departments. Only those costs that are incurred up to the point of raw logs reaching their final market tie-up are reported. Costs of moving logs from their initial sort and dump location to market are not included as they are reported separately. Exclude the costs of export sale permits, towing to mill, costs relevant to processing operations, scaling and re-sorting, salaries of logging divisional managers, logging superintendent, or forestry and/or engineering personnel. Ensure no double counting by appropriating relevant corporate dollars to the coastal region by volume. Costs related to scaling are to be placed in Schedule A.

If these costs are corporate head office costs, these must be deducted from Section A and included in Section B **. Pro-rate costs to report for coastal Crown volumes only. Refer to Appendix 1 for guidance.

Log trading department expenses

Includes all costs related to the sale or trading of standing timber, logs and forest land.

Log supply department expenses

Includes all costs related to the purchase of standing timber, logs and forest land.

Expenses to be partially allocated to coast logging operations

These are the net corporate (head office) expenses to be partially allocated to coast Crown tenure forest management operations (Section A net costs) multiplied by the corporate overhead percentage allocation calculation.

Total Eligible Expenses (Section B) = Coast Crown tenure management forestry department + coast Crown volume log trading and log supply expenses + expenses to be partially allocated to coast Crown tenure forest management operations

Total General & Administrative Expense = Expenses to be fully 100% allocated to coast Crown tenure forest management operations (from Section A) plus (+) total eligible expenses (Section B)

Schedule B.4- Silviculture Spending

2019 Coast Crown Tenure Management Cost Survey Template
 Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.4

Silviculture Expense (SE)

(Please Identify estimated breakdowns with a note to the cell)

Districts	District Cost							
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM
Total Coast (Provincial) Crown Volume (m3)								
Basic Silviculture Spending / Expenditure For Year								
Surveys(\$)								
Site preparation(\$)								
Seedlings(\$)								
Planting(\$)								
Deer protection(\$)								
Brushing and weeding(\$)								
Recoveries (-ve)(\$)								
Administration(\$)								
Other (\$)								
Total Silviculture Expense (\$)								

Please refer to Appendix 1 prior to completing this schedule.

Definitions

Basic Silviculture Spending

Include relevant costs for prescribed silvicultural treatments required to bring a stand of trees to a "free growing" state. Relevant costs include:

- **Surveys** - field assessments, regeneration and survival studies.
- **Site Preparation** - clearing and preparation of logged over areas using either mechanical, chemical, or slash burning methods.
- **Seedlings** - total cost of seed and seedlings.
- **Planting** - All direct costs relating to the planting of a new crop, including seedling storage, transportation to the site, direct labour and supervision. Exclude the costs of seedlings.
- **Deer protection** - total cost to protect seedlings from deer forage.

- **Brushing and Weeding** - removing unwanted vegetation from the area immediately surrounding the seedlings.

Incremental Silviculture Spending

Include relevant costs related to stand improvement including: surveys, backlog planting, spacing and fertilization.

Exclude all costs incurred prior to the Free-to-Grow declaration, as these costs should be reported as Basic Silviculture expenditures.

Basic Silviculture and Incremental Silviculture Accrual and Planned Expenditures

Record the total amount accrued to address reforestation liabilities associated with the current year's logging. Eliminate any double counting with costs reported under "spending".

Reforestation liabilities relate to the following silviculture activities: planting of a new crop including the costs of seedlings, seedling protection, storage, transportation to the site, direct labour and supervision; field assessments, regeneration, survival, and free-growing surveys; site preparation such as clearing and preparation of logged areas using either mechanical, chemical or slash burning methods. Exclude from basic silviculture cost of brushing and weeding, spacing and fertilization related to stand tending and improvement activities, as these are considered incremental silviculture. Include post-harvesting/site preparation costs that are typically charged to silviculture operations such as debris piling, slashing, etc.

Report the silviculture accrual net of any accrual adjustments taken to correct the value of the deferred reforestation liability (i.e. to provide for a stock failure or accrual reduction).

Schedule B.5- Road Survey

2019 Coast Crown Tenure Management Cost Survey Template
 Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch
Schedule B.5
 Road Survey; Bank Height Method (RS)

Instructions: Use only this spreadsheet for your submission; one sheet per CONTRACT.
 Only information from "Bank Height Method" contracts are eligible.
 Red Carats have been provided for guidance.
 Provide costs for drainage structures in the "Total Cost" box below the table.

CONTRACTOR: _____ OF _____ SHEETS (eg 1 of 5 sheets)

District	Location TSB or TFL/Block	Isolated or Accessible	EBM or Non- EBM	Company Operation	Bankheight Construction Category	Rock Hardness	Cost (\$,\$\$)	Length (m)	\$/Metre	Ballast Haul Distance (km)	
*					OM-LB	-					
*					OM-PR	-					
*					OM-PB	SM					
*					TOE	SM					
*					MFK	SM					
*					HFK	SM					
*					XFK	SM					
*					XXFK	SM					
*					XXXFK	SM					
*					OM-PB	Hard					
*					TOE	Hard					
*					MFK	Hard					
*					HFK	Hard					
*					XFK	Hard					
*					XXFK	Hard					
*					XXXFK	Hard					
Total:								\$0.00	-		

Total cost (capital expenditure) for road and drainage structures for the year

The Road Construction Costs - Bank Height Method is based primarily on:

- Height of the inside rock face;
- Material type (i.e. OM, hardpan, rock);
- Ballast type (i.e. local or trucked gravel or rock);
- Ballast haul distance*;
- Rock hardness* (as defined in the Coast Appraisal Manual);
- Geographic location*;
- Drainage structure requirements.

*to be segregated if significant (i.e. data supports)

Complete a separate spreadsheet for each contract. Multiple workbook sheets can be established by duplicating the Schedule B.5 (TOA) tab within the Excel workbook.

For each bank height method construction category, please complete the information requested on the survey template according to definitions below and using the relevant *Coast Appraisal Manual*.

Definitions:

District

Is the relevant Forest District the road is associated with.

Location

Is expressed as Timber Supply Block (TSB) for clients operating in Timber Supply Areas (TSA)s. Clients operating in Tree Farm Licences (TFLs) must also provide a Block # if appropriate. New TSBs in effect on January 1, 2016 must be used (i.e. for TSAs 46, 47, 48).

Coast TSB map

Please refer to the ministry's timber pricing website [here](#).



Isolated

Is where the construction activity is not accessible by a road suitable for motor vehicles to a full-service community. Refer to CAM Section 4.2 for more information.

EBM?

Identify if the specific road contract is located within an EBM area.

Bank height Construction Category

Is determined according to principals and definitions below and the *Coast Appraisal Manual* January 1, 2019, Section 5.3.3.1.

Principles to determine the construction category are as follows:

- Bank height for a road section is measured at a vertical face from the top of the finished road surface to the top of the rock portion of the cut;
- Bank height for landings and turnouts are measured as constructed;
- Bank height for a through-cut is measurement based on the height of the higher rock face;

- All areas of pits, quarries and road widening that are beyond the roadway design specifications are not included. Where these situations occur, the measurement will be based on:
 - the height of the rock before any extra material was removed, or
 - the height of the rock face as designed to attain the specified width of the road, or
 - the average of the rock faces on either side of the quarry widening;
- Drilled and blasted rock faces over 9.0 metres will be priced using a detailed engineering cost estimate method (i.e. full or partial end haul formula). This applies only to rock faces over 9.0 metres constructed to attain the road width as designed or specified for that area (excluding quarries, pits or road widening);
- Road section measurements are to be to the nearest metre and are the horizontal.

Definitions of Bank height Construction Categories:

OMLB	Other Material – Local Ballast Other material and rock/hardpan that does not require drilling and blasting - ballast/surface with local material (i.e., no truck haul) - includes patch ballasting and surfacing with end haul material.
OMPR	Other Material – Pit Run Ballast Other material that does not require drilling and blasting and surfacing is pit run material (i.e., not drilled and blasted) or stored end haul material, requiring truck haul.
OMRB	Other Material – Rock Ballast Other material that does not require drilling and blasting and surfacing is quarried (i.e., drilled and blasted) rock.
TOE	Low rock face height. Rock (including hardpan) that must be drilled and blasted and results in up to 1.50 metre inside rock face. Includes ditch lines or boulders less than 1.50 metres in height that require drilling and blasting.
MRK	Medium rock face height. Rock (including hardpan) that must be drilled and blasted and results in a 1.51 to 3.00 metre inside rock face. Includes boulders between 1.51 and 3.00 metres in height that require drilling and blasting.
HRK	High rock face height. Rock (including hardpan) that must be drilled and blasted and results in a 3.01 to 4.50 metre inside rock face. Includes boulders between 3.01 and 4.50 metres in height that require drilling and blasting.
XRK	Rock (including hardpan) that must be drilled and blasted and results in a 4.51 to 6.00 metre inside rock face. Includes boulders between 4.51 and 6.00 metres in height that require drilling and blasting.
XXRK	Rock (including hardpan) that must be drilled and blasted and results in a 6.01 to 7.50 metre inside rock face. Includes boulders between 6.01 and 7.50 metres in height that require drilling and blasting.

XXXXRK	Rock (including hardpan) that must be drilled and blasted and results in a 7.51 to 9.00 metre inside rock face. Includes boulders between 7.51 and 9.00 metres in height that require drilling and blasting.
NINE+	Rock (including hardpan) that must be drilled and blasted and results in a greater than 9.00 metre inside rock face. Includes boulders greater than 9.00 metres in height that require drilling and blasting.

Rock Hardness

Is expressed as “soft/medium” or “hard”. Please refer to CAM Section 5.3.3.1 and Appendix IV for more information on Rock Mass Classification (RMC) and how to determine the Rock Hardness.

Cost

Excludes HST, GST, and the cost of drainage structures and projects that qualify for detailed engineering projects.

Length

Is measured along the road centerline, over culverts (including wood culverts with a span less than 4 meters). This excludes span lengths for permanent or portable bridges (see definitions in *B.6 Bridge Survey* for the definition of span length).

Ballast Haul

Is the haul distance to the nearest 0.1km (only required if the average ballast haul is greater than 3.2 km).

Detailed engineering cost estimate methodology is in place for:

- End Hauling;
- Bridge Construction that does not qualify for Table 5-2 (Log Bridges) or Table 5-3 (Permanent/Portable Bridges) of CAM
- Main Access Roads;
- Construction on uphill side slopes greater than 150 percent;
- Construction on terrain with two or more gullies over 10 metres deep at centreline in a 300 metre section;
- Overland construction in excessive fill sections;
- Switchbacks with over 10,000 m³ excavation volume.

Please make duplicate copies of the spreadsheet template B.5 so as to report each contract on its own sheet.

Schedule B.6 – Bridge Survey

2019 Coast Crown Tenure Management Cost Survey Template											Instructions: Use only this spreadsheet for your submission	
Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch											Red Carats have been provided for guidance.	
Schedule B.6 Bridge Survey (BS)											Costs reflect NEW bridge and NEWLY constructed approach work.	
OF SHEETS (eg 1 of 5 sheets)											Fill in ALL columns and report ALL bridges	
											Span	
	Corporate Asset #	District	Logging Operation	EBM or Non-EBM	Road Name/Drainage	Bridge Category	Bridge Type	Load Capacity (tonnes)	Relocation Distance (km)	Material	L	
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												

Definitions

For each bridge, complete the information requested on the survey template according to definitions below and the *Coast Appraisal Manual* January 1, 2019 Section 5.3.3.2.. Only new bridges and associated approach works are eligible for full costs. Old bridges relocated, are eligible for new approach works costs only.

District

The forest district the bridge is associated with.

Logging Operation

Each company may have 1 or more logging operations that are identified as separate units for financial/operational/geographical purposes.

EBM?

Specify if the bridge is located in an EBM area.

Road Name / Drainage

The Road Name is the specific road name where the bridge will be located. The drainage name is the name of the water body that the bridge will cross.

Bridge Category

Is New or Replacement of an existing bridge with a New or Used bridge.

Bridge Type

Is it permanent or portable.

Load Capacity

The bridge Load Capacity is the rating designated by a professional engineer that identifies the maximum load that can cross the bridge. The CAM allows for ratings from L60 to L165.

Relocation Distance

Is the transportation distance by road between an installed bridge site to another site (for portable bridge moves only).

Span Material

Is it concrete, steel or wood.

Span Length

For concrete and steel stringers is 'total' length. *Span Length* for log stringers is 'centre sill to centre sill' length.

Footing/Crib Material

Is it concrete, steel or wood.

Footing/Crib Average Height

Is the distance from the bottom of the footing to the bottom of the stringers.

Deck Material

Is it gravel, concrete, steel or wood.

Deck Width

Is measured at mid-span (for permanent bridges only).

Bridge Cost (new bridges only)

Is the cost associated with construction, design, planning and supervision of the new bridge. Cost of the actual bridge itself is excluded for relocated bridges. Excludes approach work and barging costs.

Approach Work Cost

Is the cost associated with building the approach to the bridge (i.e. the distance between the bridge abutment and the road surface -maximum length of 4.5 m).

Barging Cost

Is the cost associated with moving construction equipment and materials.

Schedule B.7 – Inland Water Transportation

2019 Coast Crown Tenure Management Cost Survey Template

Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.7

Specified Operation: Inland Water Transportation (IWT)

	District Cost									
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DN-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM	DSI-Clay^	DSQ
Location										
Relevant volume (m ³)										
Volume towed (m ³)										
Distance towed (km)										
Dump and boom (\$)										
Lake tow (\$)										
Dewater and reload (\$)										
Total (\$)	-	-	-	-	-	-	-	-	-	-

Note: To eliminate double counting with Sch A, towing costs, transfer the totals from this Schedule once populated to Sch A and adjust the Sch A towing and barging totals.
This workbook / schedule is confidential once populated with data

Definitions

Location

The official geographic description of the lake or inland water way.

Volume Towed

Total volume of logs towed over an inland water way in cubic metres m³.

Distance Towed

Actual towing distance in metres from the location on the lake at which the logs first enters the water to the location of its removal at another point along the lake for rehaul to its final destination.

Dump and boom

The cost in dollars of the dumping and booming at the lake entry location.

Lake Tow

The cost in dollars of towing on the lake.

Dewater and Reload

The cost in dollars of dewatering and reloading at the location where the wood is removed from the lake for rehaul to the final destination.

Exclude costs that should be included under Schedule A.

Please include the contract(s) associated with this schedule with your submission. Include the location of the activity and note if there are more than one dewater and reload.

Schedule B.8- Tree Crown Modification

2019 Coast Crown Tenure Management Cost Survey Template
 Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.8

Specified Operation: Tree Crown Modification (TCM)

		District Cost							
		DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM
Old Growth Coniferous Timber	Relevant production volume (m ³)								
	Total cost \$								
	# Trees modified								
	Area treated (ha)								
	\$ / Tree								
	\$ / ha								
Second Growth Coniferous Timber	Relevant production volume (m ³)								
	Total cost \$								
	# Trees modified								
	Area treated (ha)								
	\$ / Tree								
	\$ / ha								

Definitions

Total cost

Total relevant costs associated with the Tree Crown Modification treatment as specified within the current Coast Appraisal Manual.

Trees Modified

Total number of trees in the relevant area to which Tree Crown Modification treatment has been applied.

Area treated (ha)

Total relevant area treated in hectares.

Old Growth Trees

Coniferous timber that is 141 years old or greater.

Second Growth Trees

Coniferous timber that is less than 141 years old.

Exclude costs that should be included under Schedule B.2: Engineering & Forestry or any other schedule so as to eliminate double counting. Please submit a copy of all TCM invoices with your submission.

Schedule B.9- De-stumping

2019 Coast Crown Tenure Management Cost Survey Template

Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.9

Specified Operation: Destumping For Root Disease Control (DRDC)

		District Cost								
		DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM	DSI-Clay^
*	Relevant production volume (m ³)									
*	Total cost \$									
	Area treated (ha)									
	\$ / m ³									
	\$ / ha									

Note: To eliminate double counting with Sch B2, transfer the totals from this Schedule once populated in to Sch B2 and make adjustments to the totals as required.

This workbook / schedule is confidential once populated with data

Definitions

Total cost

Total cost for the treatment of de-stumping for root disease control.

Area treated (ha)

Total relevant area treated in hectares.

Exclude costs that should be included under Schedule B.2: Engineering & Forestry or any other schedule so as to eliminate double counting.

B.10 Helicopter Single Standing Stem Selection

2019 Coast Crown Tenure Management Cost Survey Template
 Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch
Schedule B.10

Specified Operation: Helicopter Single Standing Stem Selection (HSSSS)

Is this a HSSSS Multi-Phase Contract ?	Note phases bundled together:						
	District Cost						
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM
Area treated (ha)							
HSSSS Volume(m3)							
Forestry costs(e.g.Yew identification) within HSSSS contract(s)*							
Standard heli costs within HSSSS contract (\$) *							
Specific HSSSS (see CAM Section .4.4.4) costs (\$)							
Dump, sort, boom costs within HSSSS contract (\$) *							
Stumpage included in HSSSS contract(s) *							
Other non-HSSSS costs within contract(s) * (please specify)							
Total cost of HSSSS contract(s) (\$)							
\$/m3							

Definitions

Helicopter single standing stem selection refers to the harvesting of standing single trees that have been marked, limbed, undercut and wedged and then broken from the stump and removed using a helicopter. Report all single-phase operations under this schedule.

Relevant Cost

Include the cost of marking, climbing, limbing, undercutting, wedging, breaking and removal of the tree by helicopter.

Exclude all licensee costs incurred to support the helicopter single standing stem selection operation, as these costs are reported separately in Direct Logging – Licensee and Single-phase Contractors, Engineering and Forestry or Operations General and Administration, as appropriate. Ensure double counting is eliminated across schedules.

Relevant Volume

Report the total actual volume of logs associated with helicopter single standing stem selection contracts for the year being surveyed.

Note if it is a multi-phase contract. Refer to Sch A definitions for any other definitions. Eliminate any double counting amongst the schedules.

B.11 Skyline

2019 Coast Crown Tenure Management Cost Survey Template

Ministry of Forests, Lands & Natural Resource Operations & Rural Development, Timber Pricing Branch

Schedule B.11

Specified Operation: Skyline (S)

Is this a Skyline Multi-Phase Contractor ?	Note phases bundled together:									
	District Cost									
	DCR-NonEBM	DCR-EBM	DCK	DNC-EBM	DNI-NonEBM	DNI-EBM	DHG-EBM	DSI-NonEBM	DSI-Clas	
Cut-block volume (m ³)										
Skyline: volume(m ³)										
Skyline: area (ha)										
Average yarding distance < 600m										
Average yarding distance > = 600m										
# Intermediate supports										
Total cost \$										
\$ / m ³										
\$ / ha										

Definitions

This template is to report single phase Skyline operations of less than 600m in distance. Helicopter operations are not within the scope of this template.

Cut block volume:

The total volume (m³) for all harvest methods in the cut block that have skyline.

Skyline volume:

The total volume (m³) harvested by skyline that the reported cost is applicable to.

Skyline area:

The area harvested by skyline measured in hectares.

Average yarding distance:

Is the average yarding distance measured in metres, for the volume harvested by skyline.

Intermediate support:

The number of intermediate supports used to support the cable to reduce sag.

Total cost:

Total cost for the treatment of de-stumping for root disease control.

Exclude costs that should be included under Schedule B.2: Engineering & Forestry.

Note if it is a multi-phase contract. Refer to Sch. A definitions for any other definitions.

Eliminate any double counting amongst the schedules.

Unacceptable Barging costs:

- i. Scaling (grading)
- ii. Sorting and booming
- iii. Costs related to boom sticks

Acceptable Towing Costs:

- i. Cost of tugboat (crew) and equipment (lines) both to barge loading sites and from barging unloading sites; or to market destination
- ii. Fuel surcharges and other seasonal premiums
- iii. Repair of booms
- iv. Sorting into booms for transportation after barging is completed

Unacceptable Towing Costs:

- i. Scaling (grading)
- ii. Storage
- iii. Purchase of boom sticks
- iv. Cost of Vancouver Fraser River Port Authority fees and other permitting fees
- v. Sorting costs for customers

Back cover

2019 Coast Crown Tenure Management Cost Survey Template

The Excel workbook cells are dynamic so as to allow for data entry. Some links and formulas have been added to the workbook. Please check your submission for all calculations. Retain a copy of your submission for your records and for the data review process and business documentation.

Please attach the following information to your submission:

1. Attach a financial statement and audit / review opinion to support the reconciliation found under Schedule A.4.
2. Attach HBS scale reports by district for the licenses for the reporting period as well as copies of all invoices for specified operations including contracts.
3. If your company earns revenue through carbon off-sets please disclose the nature of the agreement here:
4. Provide detail on any bundled phases at the bottom of the page, of the relevant schedule.
5. Provide details of financial arrangements for partnership, exclude woodlot and Community Forest Licenses
6. Ensure the survey is certified by the company representatives.

Provide additional comments, information, and details of exceptions as appropriate in the space below.

This space has been reserved for client's to note any additional comments, information, and details of exceptions that are of relevance.

Ensure there is no double counting between schedules other than for select line items within Schedule A, which draw data from the Schedule B(s) so as to enable the calculation of Total Delivered Log Cost.

Section 6: Survey Certification

Survey certification of the 2019 Coast Crown Tenure Management Cost Survey (Cost Base Fiscal Year 2018)

Mandatory Requirement:

The completed survey, prior to submission to the ministry, must be certified on the first page of the survey template (cover) by a Canadian Chartered Professional Accountant (CPA) on staff, or a CPA on behalf of the company such as the company auditor. A Registered Professional Forester (RPF) on staff or on behalf the company has also to make a certification on that same page. This provides for the professional reliance that can be placed on the survey data submitted as being accurate and complete with no material mis-statement. For companies with comprehensive harvest volume reported of less than 120,000m³ there is the option for the CPA attestation to be made by the President or Chief Executive Officer of the company.

Cost Survey Data Protection Standard:

The Province of British Columbia *Forest Act* Section 136(3) (b) provides that:

“Subject to a lawful requirement, a person employed in the ministry of the minister responsible for the administration of this Act must not release or divulge information reported under subsection (1.1) unless

(a) the person who submitted the report consents, or

(b) the information is released or divulged as part of a summary that presents it in such a way that it cannot be identified with the person who submitted it.”

By submitting this survey, you agree that the survey information is shared between the following parties, for the following purposes:

The Forest Policy and Indigenous Relations Division and the other branches of the Ministry of Forests, Lands, Natural Resource Operations & Rural Development and Government of British Columbia, for the calculation of Tenure Obligation Adjustments, and Specified Operations values for the Coast Appraisal Manual; as well as to meet other audit, analysis, benchmarking, economic and cost modelling and reporting as required by the ministry, including data to support the defense of Softwood Lumber, countervailing duties and other litigation.

Appendix I: General & Administrative (G&A): Corporate, Regional / Divisional and Operations Items.

Expenses to be directly chargeable to coastal logging operations are reported under Schedule A Operations and General Administration. This appendix applies to all of Schedule B(s).

Expenses that are completely chargeable to departments other than logging are to be excluded from Schedule A: Operations General and Administration.

Expenses directly related to the forest tenure management of the coastal Crown tenure but are not logging expenses are included under Schedule B.3 Corporate General and Administration.

Indirect cost allocations will have to be made based on percentage harvest volume for the coastal area Crown tenure management operations between the coast and interior / other regions, private and Crown volumes, where allocation by a percentage determined by coastal wages (refer to Schedule B.3) is not available.

No double counting is permitted between Schedule A and B items or between any of the B schedules unless it is a designated transfer of costs to ensure completeness of values.

Allowable business costs

Provided the cost items listed below are directly related to Crown tenure obligations of forest planning, road development and basic silviculture, they are allowable costs for appraisal purposes:

- Licenses, fees, insurance:
License permits/water/special use permits; environmental fees; memberships fees/dues and subscriptions to associations; insurance on building/office equipment/supplies
- Taxes, leases, rentals:
Business property and municipal tax; land leases; office building rents/leases; property rentals.
- Wages, salaries, benefits:
Wages salaries and benefits; bonuses (management and staff, excludes executives and shareholders); relocation costs
- Vehicle expense:
Fuel and lubricants; insurance and licenses; repairs and maintenance; leases/depreciation

Office expenses

- Audit fees
- Corporate aircraft (directly charged to forest planning only)

- Information technology / data processing / service agreements
- Fire protection supplies
- Human resources / training development / recruitment costs
- Legal fees (directly charged to forest planning only)
- Meals and entertainment
- Office building repairs / cleaning / maintenance
- Office equipment repairs / rentals / leases
- Office and computer supplies / postage / courier
- Safety supplies
- Travel and accommodation / room and board
- Telephone / mobile / fax / telex / radio communication
- Utilities (light / heat / power)
- Insurance – general
- Property taxes
- Contractor / consultant services
- Meeting expenses

Unacceptable costs and expenses

The following “cost items” are unacceptable costs for appraisal purposes unless portions of these costs are directly attributable to the management of the forest:

1. Advertising, promotion, marketing costs
2. Allocated costs for corporate head office: costs of plant operations
(lumber mills, veneer, plywood, oriented strand board, pulp, paper etc.)
3. Annual rents (Section 111 of the *Forest Act*)
4. Bad debts
5. Capital gains and losses
6. Corporate aircraft, helicopters (not directly related to the tenure obligation)
7. Corporate and other income taxes
8. Directors fees, bonuses and expenses
9. Discretionary costs
10. Entertainment expenses for clients, suppliers, investor relations, sales etc.
11. Executive bonuses / profit sharing / share purchase plans / management bonuses
12. Short term incentive plans
13. Expenses for purposes other than earning logging income (penalties, fines etc.)
14. Expenses of non-logging operations (mills, recreation, investment, real estate, pulp, newsprint, lumber etc.)
15. Expenses relating to the interior and outside the Province of British Columbia
16. Federal and provincial taxes
17. Financing, investment, credit charges, and bank charges
18. Freight charges / leased car costs (all deducted from AMVs)
19. Gain / loss on disposal of fixed assets/investments
20. Investment fees and charges
21. Logging taxes
22. Legal fees (not directly related to forest management including re-structuring fees)

23. Log sales or log purchasing costs
24. Logging (harvesting) direct and indirect costs (not applicable for Schedule A)
25. Lumber sales
26. Office relocation costs
27. Other business expenses not listed under the allowable expenses' category
28. Corporate costs not directly related to Crown tenure management e.g. investor relations
29. Any other items that are not directly related to the management of the Crown tenure
30. Political / corporate donations
31. Privately Owned: Purchased / sold logs
32. Purchased logs
33. Federal, Municipal logs
34. Illegal logging
35. Recreation expenses (donations, club dues, entertainment, etc.)
36. Research and development (for other than harvesting and/or forest management projects):
identify specific costs.
37. Restructuring expenses (accounting and consulting)
38. Selling expenses /export duty /entry charges (deducted from AMVs)
39. Shareholder expenses (dividends, notices, transfer agent costs etc.)
40. Stumpage
41. Stumpage fees and royalties
42. Wellness program

Appendix II EBM Area Map & Coast TSB map Link

Please refer to the following maps found under the link provided below, so as to assist you with your survey preparations:

<https://www2.gov.bc.ca/gov/content/industry/forestry/competitive-forest-industry/timber-pricing/coast-timber-pricing/coast-maps-graphics>

Appendix III: Ministry Site Visit & Review Requirements For Survey

Introduction and general overview of requirements

The purpose of the ministry site visit is to review the Coast Crown Tenure Management Cost Survey submission with the survey participant, and to understand any exceptional circumstances pertaining to the data submitted. The survey is expected to be certified by a Canadian CPA prior to submission. The review process will commence with a telephone call from the ministry, or auditor company on behalf of the ministry, to the client. Adjustments are made during this time to the submission if it is determined that these changes should be made due to subsequent events, clarification of data and so-forth. The ministry site visit can be preceded or followed with email and telephone queries. A response to all queries is a requirement. Please note that the all client submissions summary is used in the defense of countervailing duties and for litigation support.

Please prepare and have available at a minimum, the documents, schedules, analyses and reconciliations requested in this document. Please arrange your paper file in a logical manner and provide an index to the file. Support each survey schedule with supporting information and cross reference the schedule to the supporting documentation / information sheets. Each cost point within a survey schedule should be supported with information directly from the general ledger with information such as a general ledger account balance. Any adjustments made to the balance prior to inclusion in the survey should be noted for clearly, with an explanation. A reconciliation of Schedule A to the company or division's trial balance / income statement with adjustments is a requirement.

For review of Schedule B.3 Corporate General & Administration a detailed organization chart is required. For Schedule B.3 - Section A, a full company organization chart is required with all departments and divisions. Those departments and divisions excluded as they do not meet the requirements for Schedule B.3 must be highlighted / identified. For departments and divisions reported under Schedule B.3 - Section B, a statement as to activities carried out by each of the groups / staffing positions must be made.

The ministry will require, for retention within the ministry program's files, an electronic copy of select items from the client files and a copy of the whole supporting data file as support for the survey submission. These requests will be made prior to the first call with the client and must be available to the program prior to the first call.

Part 1

Company Background Information – complete and submit with survey

Name of company:

If this is a joint venture, partnership or collaboration, please state with whom and the nature of this relationship:

Address of location for site visit for inspection of cost accounting records:

Accounting contact for the 2019 Coast Crown Tenure Management Cost Survey (CCTMCS):

Contact name: _____

Contact email: _____

Contact telephone #: _____

Company financial year completed for the survey:

(month/day/year) _____ to _____

Source accounting computer package / system used: _____

Note any expected administrative changes due for the future:

Note any changes to financial / accounting policy since the prior year:

Note any changes to significant staff:

Note any material events / issues subsequent to the year-end that would impact the survey.

Part 2

Company Financial Information Overview – please submit with survey

<i>Queries (Please tick the associated box / provide an explanation; N/A = not applicable)</i>	Yes	No	N/A
Submitted a copy of this sheet with the survey.			
Was the data compiled by a Canadian CPA ?			
Was the data reviewed by a Canadian CPA ?			
Has an external auditor audited the overall company financial statements for the year?			
What is the name of the external auditor?			
Do the audited financial statements have a qualified audit opinion?			
If there is a qualification, please state the nature of this qualification:			
Does your company have an audit committee?			
Are annual budgets prepared?			
Was accrual accounting used to record the dollar cost data submitted?			
Was an accrual method of accounting used to record the volume data submitted?			
Do internal performance measures include tracking overhead to budgets?			
Which types of costs are used for overhead allocation? (budgeted, standard, actual etc.)?			
What is the actual overhead allocation base used in the survey?			
Are there any estimates made for EBM?			
Are EBM camps easily separable from Non-EBM camps?			
Are there any estimates used for any of the values?			
Disclose the nature of the estimates / exceptions used / applied on the last page of the survey template / back-cover page			
Are financial statements prepared by district or other geo-geographical segments for regular business use?			
Outline how general and administrative allocations were calculated- please attach			
Please state any exceptions or anomalies to the following questions:			
Have all relevant direct and indirect costs been included and any duplication been eliminated?			
Has data from all districts and all relevant departments been included?			
Has data been verified for mathematical / compilation accuracy and all supporting documents provided?			
Has Schedule A been reconciled to the financial statements for costs and volumes on template sheet A.4?			
Note all partnership arrangements with quantity of volumes not reported on this survey but reported for HBS. Use billed volume reports from the public HBS site to generate the values.			
Is the company undergoing / expecting any changes? What are the risks? Please note all survey impacting business changes to the back cover of the survey			

Part 3

Supporting information required for the file in electronic file format

1. Company organization chart(s) which clearly indicates the coastal operations and required information.
2. If a joint venture, please provide details of structure.
3. Company audited financial statements.
4. Coastal region operations financial statements.
5. Trail balance (TB) for coastal region operations.
6. General ledger (GL) account listing for coastal region operations. (Tie in to submission detail, line by line with a cross-reference number)
7. Mapping / linking / cross-referencing of coastal region TB / GL Accounts to survey cost points / cells on the spreadsheet.
8. Transaction detail for GL accounts (please make available for verification of transactions).
9. Copies of contracts for all phase activities, invoices and other supporting documentation. Road contracts and invoices supporting each value must be available for review.
10. Copies of all specified operations invoices and contracts must be submitted with your survey submission. Original copies will be reviewed on site.
11. Ministry Harvest Billing System (HBS) public access records by date of billed to support the total production volumes and silviculture district volumes as reported on the survey. Identify Eco-system Based Management (EBM) volumes.
12. Reconciliation of company financial statement(s) to Schedule A of the survey. Note adjustments and include specified operations. There should be no double counting of costs within the survey.
13. Detail of the computation of Schedule B.3.
14. Silviculture: reconciliation of fiscal expenditure and planned / accrual.
15. Eco-system Based Management Schedules (EBM): provide general map of camp locations. List of EBM camp names and provide any reconciliation for cost and volumes for EBM / Non-EBM areas and camps as appropriate.

Part 4

Client variance analysis

This section is to identify and then provide an explanation for significant variances to the costs and volume data provided for in the survey.

Review your submission and then compare it to the prior year's survey submission if your company made a submission or compare it to the relevant tenure obligation adjustments values provided for in the most current version of the Coast Appraisal Manual. The value for Forest Planning and Administration is the sum of allowable costs for the TOA Forestry and Engineering and the allowable costs for the TOA Corporate G&A values.

Note the percentage increase / decrease for each line of Schedule. A material change would be +/- 5%.

1. Note any trends and anomalies.
2. Make a list of errors that were made and not corrected for during survey preparation.
3. Make a list of the significant variances and the possible reasons for these changes.
4. Any of the phases / activities reported for under the survey must be reported net of any recoveries from the government. Make a list of these items.
5. Any of the phases / activities reported for under the survey must be reported net of any recoveries from other sources. Make a list of these items.

Site Visit / Data Reviews Schedule:

Ministry data review work at client sites, by email or phone / virtual meeting are scheduled to take place typically, immediately following the survey submission deadline. If your company staff are expected to be away during that period, then please contact the Senior Timber Pricing Accountant (Coast) by April 30th to make arrangements for an *earlier* data review date. Please also refer to the full Appendix III for further information regarding preparations for these activities. It is expected that the survey has been certified by a Canadian Chartered Professional Accountant within the company or by an external auditor, reviewer or compiler of data.

Appendix IV: Survey Preparation Support Resources

The program maintains a set of informal (draft) tip sheets to assist client accounting staff gain a general overview of the forest accounting concepts applied within the cost survey. Email the Senior Timber Pricing Accountant (Coast) for a copy.

1. What's It All About: a power point presentation

2. Tip Sheets:

- 2.1. *G&A and Organization Chart Framework*
- 2.2. *Forest and Engineering*
- 2.3. *Forest Management Reconciliation Sheet*
- 2.4. *Silviculture*
- 2.5. *Road Management*
- 2.6. *EBM*
- 2.7. *EBM and District*
- 2.8. *Preparing the short form Schedule A*
- 2.9. *Coast Logging Cost Survey Supporting Documentation*
- 2.10. *Tips For Quality Working Papers and Cross Referencing*

Clients are welcome to schedule an appointment with the Senior Timber Pricing Accountant (Coast) or Timber Pricing Forester (Coast) if they require assistance completing the survey work-book. Please email the relevant staff noted on page 7 of these instructions to schedule a time.

If your company would like to submit a draft survey for feedback, prior to making the final submission, then please forward your survey to the Senior Timber Pricing Accountant (Coast) by the end of May 6, 2019.

Appendix V: Generating HBS Reports

Please contact the ministry Harvest Billing System (HBS) help desk for any questions. Prepare the report by district, billed volume. Please reconcile the HBS volumes to your company production volumes. Highlight all HBS volumes not included within your survey submission but attributable to other entities within the company business arrangements. Add a descriptive note explaining the quantity and nature of these items to the back page of the survey template or to Schedule A.4.

Appendix VI: Other Information

For the 2019 survey (cost base 2018), clients with HBS volumes of less than 120,000 m³ may elect to report only the specified and summary lines on Schedule A which are noted with “*”. All of Schedule B and Specified Operations must be reported.

However, it is recommended that the detailed reporting format be completed. The ministry for purposes of audit, review, verification, further analysis, litigation and so forth, may request the survey report in detail at a future date. Please retain the data and the submission in accordance with data retention standards and schedules for accounting and financial data as recommended for generally accepted business practice.

These further data requests when initiated, become a mandatory requirement with a data return to the program of two weeks, of the date of request. This authority is conducted under Section 136 of the Forest Act.

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