Celebrating Our Past

Shaping Our Future

ANNUAL REPORT 2007 / 2008
The TLA is the official voice of independent forest contractors located throughout BC’s coastal region. The TLA shares a commitment with its over 450 member companies to promote a healthy, working and sustainable forest industry, and to foster communication and education within communities and governments.
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NOTICE OF ANNUAL GENERAL MEETING

December 8, 2008

Dear Member of the Truck Loggers Association:

Take notice that the 2009 Annual General Meeting of the Truck Loggers Association will be held on Tuesday, January 13, 2009, at 3:00 pm, in the Cypress Room of the Westin Bayshore Hotel (located at 1601 Bayshore Drive in Vancouver, B.C.). Doors open for networking, refreshments and presentations at 2:00 pm.

The order of business will be:

1. Call to Order
2. Acceptance of Agenda
3. Minutes of 2008 Annual General Meeting
4. Presidents Report
5. Executive Directors Report
   (a) Audited Financial Statements
   (b) Acceptance of Financial Statements
7. TLA Committee Reports
8. Unfinished Business
9. New Business
10. Election of 2009 Executive and Directors
    (a) Departing Directors
    (b) Nomination Committee Report
    (c) Nominations From the Floor
    (d) Election
11. Next Meeting
12. Adjournment

The TLA 2008 Annual Report containing the committee reports, audited financial statements, proposed resolutions, and the nominees for the TLA Executive Officers and Directors, as recommended by the Board, will be available on the TLA website in the first week of January. To download it, please go to www.tla.ca, in the Members’ Area. Please follow the online instructions on how to proceed. A printed copy of the Annual Report can be obtained by contacting the TLA office. They will also be made available at the meeting.

If you cannot be in attendance during the AGM, but wish to vote by proxy, please use the enclosed proxy authorization. All proxies must be submitted and received in the TLA office by January 5th, 2009.

Please note that additional resolutions as well as nominations for the positions of either Officers or Directors will be accepted from the floor.

If you have any questions or concerns, please do not hesitate to contact the TLA office.

Yours truly,

[Signature]
Don Bendickson
President
The Truck Loggers Association
1. **Call to order**

Having determined that the meeting was duly constituted, as required by the Bylaws, President, Don Bendickson called the meeting to order at 3:25 p.m. He asked the members present to hold a moment of silence in memory of TLA members that had passed away in the previous year.

2. **Approval of Agenda**

President Don Bendickson called for a motion for approval of the agenda.

Moved (Kaldeep Rai Hoey) Seconded (Angus Allison) that the agenda be approved as presented. Carried

3. **Minutes of 2007 Annual General Meeting**

President Don Bendickson called for a motion to approve the Minutes of the 2007 Annual General Meeting.

Moved (Brian Welch) Seconded (Gord Thompson) that the minutes of the 2007 Annual General Meeting be approved as presented. Carried

4. **President’s Report**

President Don Bendickson verbally reviewed his written report. In it he noted that 2007 had been a busy year with many meetings. Bill 13 was put “back on the table” but a focused effort by the TLA and the interior logging associations resulted in it remaining in place.

He noted that we continued to deal with the implementation of Bill 28, dealing with the lack of logs in the market place and ongoing efforts by the membership to support First Nations operations. This was in the face of new EBM activity, the impacts of which were unknown, but certainly had the potential to impact TLA members.

Don commented on the shortage of labour within our sector and the need to promote increased recruitment and retention. This same issue was facing the TLA membership and that the TLA was focused on increased membership recruitment for 2008.

He thanked Dave Lewis for the good job he had done in his first year as Executive Director and thanked the staff for their ongoing commitment to the TLA.

In closing Don recognized and thanked retiring Directors Glen Kappel, Dwight Giesbrecht and Brian Welch. Each were presented with a gift in appreciation of their service to the TLA.

5. **Executive Director’s Report**

In his first report as Executive Director, Dave Lewis commented that it was difficult to summarize everything that had been accomplished over the year. Dave acknowledged staff support in his first year and noted that despite the transition, that the TLA had operated within budgets once again.
Dave commented on the membership volatility as being reflective of greater issues we are facing on the coast. He noted that the BC Forest Safety council had come a long way in the year and that the safety record spoke for itself. Having said that, however, he commented that the organization was growing and that a potentially new direction may be needed.

Our Worker Needs Assessment program was in its second year with new funding and it was now focused on recruitment and retention strategies for contractors.

Land base retention was a very significant issue facing the industry as it was clear that the working forest was diminishing around us. He noted that the TLA is at every policy discussion table providing TLA member input to all levels.

In closing he noted that he had very much enjoyed his first year as Executive Director and looked forward to working with the staff and membership in the years to come.


First Vice-President, Tom Olsen gave a preamble of the financial statements as outlined in the Annual Report. He noted a significant increase in revenues year over year, noting that it was due primarily to the HRSDC finding for the Worker Needs Assessment which was a flow through to those working on the project.

Membership revenues were down as was the membership, but our affinity programs with Johnstone's Benefits and AON had performed well.

Olsen then invited Mr. Kenny Ansems of Meyers Norris Penny to provide auditor's comments on the TLA financial statements for 2006-2007. Mr. Ansems stated that it is his opinion that these financial statements fairly represent the financial position of the TLA as of September 30, 2007 with no qualifications.

First Vice Chair, Tom Olsen called for a motion to approve the 2006-2007 Financial Statements.

Moved (Patrick Davidson) Seconded (Monty Hussey) that the 2006 – 2007 Financial Statements be approved as presented.

Carried

7. Committee Reports

Written reports for Committees were provided in the 2006 Annual Report. Presentations of these reports were made by Committee Chairs as follows:

Graham Lasure, Worker Health & Safety Committee
Patrick Davidson, Convention Committee
George Lambert, Membership and Benefits Committee (assisted by Sandy McKellar in the absence of Mr. Fab Biagani of Johnstone’s Benefits)
Dave Clarke, Communications Committee
Angus Allison, Education Committee;
Bill Markvoort, Forestry Committee;
Rod Visser, Aboriginal Affairs Committee;
Brian Welch, Industrial Relations Committee;
Gord Thompson, Transportation Committee. Presented by Dave Lewis
All Chairs requested questions and comments on their respective reports.

President Don Bendickson thanked the Committee Chairs for their reports.
8. **Unfinished Business**

Don Bendickson asked if there was any old business. There was no old business to report.

9. **New Business**

Don Bendickson presented Resolution 1 as follows:

**RESOLUTION #1**

WHEREAS, Section 8 of the Truck Loggers Association Bylaws requires that:
“the twelve elected members of the Board of Directors shall be elected at the Annual General Meeting of the Association by the vote of its members as follows: Six Directors each for a term of two years. The President and two Vice Presidents will be elected by the members for a term of one year. The Officers can be re-elected to additional terms and that The Immediate Past President shall be automatically the 16th Director”.

and

WHEREAS it is not explicitly stated that the 16 voting members of the Truck Loggers Association Board of Directors should be elected from the population of Industrial Members of the Association,

THEREFORE BE IT RESOLVED, that Section 8 of the Truck Loggers Association bylaws be revised to include the following clarification:

18. The twelve elected members of the Board of Directors shall be industrial members who are to be elected at the Annual General Meeting of the Association by the vote of its members as follows: .. no change to remainder of text.

Moved (Bill Markvoort) Seconded (Dave Clarke) that Resolution 1 be passed as presented.

Carried

10. **Election of 2008 Executive and Directors**

President Don Bendickson then turned the meeting over to the Past President, Mike Hamilton, for the purpose of conducting the election of Directors and Officers. Hamilton reviewed the election process with the meeting members present. All Officers and Directors nominated by the Board were elected by acclamation. The elected Executive and Board positions are as follows:

**Officers to be elected for a one-year term:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Don Bendickson</td>
<td>BenWest Logging Ltd.</td>
<td>President</td>
</tr>
<tr>
<td>Thomas Olsen</td>
<td>Olsen Management Group</td>
<td>1st Vice-President</td>
</tr>
<tr>
<td>Graham Lasure</td>
<td>W.D Moore Logging Ltd.</td>
<td>2nd Vice-President</td>
</tr>
<tr>
<td>Mike Hamilton</td>
<td>Mike Hamilton Logging Ltd.</td>
<td>Past-President</td>
</tr>
</tbody>
</table>

**Five incumbent directors to be elected for a 2-year term:**

<table>
<thead>
<tr>
<th>Name</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Angus Allison</td>
<td>A.P.A. Enterprises Ltd.</td>
</tr>
<tr>
<td>Patrick Davidson</td>
<td>Greenwater Contracting Ltd.</td>
</tr>
<tr>
<td>Dave Clark</td>
<td>Canadian Oversees Ltd.</td>
</tr>
<tr>
<td>Rod Visser</td>
<td>Pallan Group</td>
</tr>
<tr>
<td>Gord Thompson</td>
<td>Ironside Contracting Ltd.</td>
</tr>
</tbody>
</table>
One new director to be elected for a two-year term:

Rob Russell  Russell and Lily Ltd.

Four Incumbent Directors recommended for a further 1-year term
(no election required)

Bob Brash  Husby Forest Products Ltd.
Bill Markvoort  Probyn Log Ltd.
Monty Hussey  Tilt Contracting Ltd.
Jacqui Beban  Beban Logging Ltd.

Two new directors to be elected for a one-year term:

Greg Main  Main Logging Ltd.
Al Williamson  Carlyn Bulldozing

11. Next Annual General Meeting

RESOLUTION #2
WHEREAS, section 8 of the Truck Loggers Association Bylaws require that an annual general meeting be held in January of each and every year at such hour and place as may be prescribed by the Association in general meeting, or in default, be determined by the Directors,

THEREFORE BE IT RESOLVED, that the 2009 Annual General Meeting of the Truck Loggers Association be held at 3:30 p.m. on Tuesday January 20th, 2009, with the location to be determined by the Directors at a later date.

Moved (Monty Hussey) Seconded (Rob Wood).
Carried

13. Adjournment

There being no more business, a motion to adjourn the meeting was called for by President Don Bendickson.

Moved (Kaldeep Rai Hoey) Seconded (Vern Wells).
Carried

Door Prizes

As is the long standing tradition at the TLA AGM, the following draw prizes were donated and awarded:

- Gift Certificate for Sears, donated by Scott Cessford of RBC Dominion Securities was won by Al Dennet.
- A digital camera donated by Doug Meier of The Inland Group was won by Brian Mulvihill.
As my second and final year of TLA Presidency draws to an end it would be nice to be able to say that everything in the coastal forest industry is great and that the TLA has been able to successfully help its members deal with any problems that did arise. Unfortunately that is not the real world and as the Industry struggles through what will likely be the worst economic downturn since the 1930’s the TLA is also struggling to be heard and taken seriously. It is not from a lack of trying or serious effort, but with so many problems in so many areas, the decision makers are being pulled in so many different directions that consistent and uniform progress is hard to achieve. However forestry still is the economic backbone of most of our coastal communities and we take that message to government and anyone else who will listen at every opportunity.

For most of our members 2008 was a real struggle with many market based curtailments and as a result very few members getting enough work to have adequate levels of profitability. All of the major license holders are operating in the red as well for the year and of course there have been the failures of some large contractors and suppliers. Not a pretty picture and unfortunately 2009 looks like it will be equally challenging.

The TLA has entered this very difficult period in very good financial shape and so will be able to muster resources to bring to bear on any issue's that the board deems appropriate. Our membership numbers are of concern though with many members dropping out for such reasons such as retirement, bankruptcy, lack of work, mergers etc. This will be a problem going forward with reduced revenues resulting. So far this has been partially mitigated by new revenue's from our affinity programs but we will have to be creative in trying to create other new revenue sources. We are actively seeking new members and have considered broadening our membership base but have to be cautious that new members have similar interests so that we can continue to speak with one voice. Even with our current membership of full phase contractors, phase contractors, brokers, manufacturers, and suppliers we sometimes struggle to effectively meet each groups needs.

Probably the most significant program we have been involved with during the past year has been the Round Table on Forestry. The TLA had been pushing government for some time that a vision for the coastal forest industry had to be developed. The Round Table on Forestry was announced by the Premier at the TLA Convention last year. During this past year the TLA has made several presentations to the Roundtable and we feel that our work has been well received. It is our hope that the recommendations of the Roundtable put forth to government by Vice Chair Dana Hayden will be acted on but unfortunately the political realities of the May 2009 election will affect the timing.

Looking forward the TLA is convinced that we can have a viable and healthy Coastal forest industry but that the current business model is broken and must be completely reworked. This is reflected in our convention Theme, “Celebrating our Past, Shaping our Future”. A new working model must include the following.

- Must be competitive on a global scale
- Financial viability for all concerned
- Must have the full support of the public
- Must have security of the Timber Harvest Land base
- Tenure reform to allow a full and open log market
- Industry must be based on value not volume

With the above points in place we have no doubt that the Coastal forest industry will be a preferred place to invest and work and the TLA has been pushing these points to all of our government contacts.
As this is my final AGM as President I would like to acknowledge our Board of Directors for their time and efforts during my term. It is a great group of people who put in the time and effort to ensure that the TLA does make a difference. I would also like to thank Executive Director Dave Lewis for his dedication and hard work and his skills at trying to set a reasonable course with the many strong opinions and thoughts being pushed his way. As well our staff members Helena, Colin, Eric and Jimmy are much appreciated for their efforts.

Outgoing Past President Mike Hamilton is deserving of special mention for his long years of service and for his participation in so many committees, meetings and other functions over the last 14 years. His knowledge and expertise and of course humour will be sorely missed.

My term as President has certainly been a challenge with the many difficult issue’s facing the industry, and as Past President Pat Martin said to me recently “you certainly ended up with a tough time to be President” but it has still been a very interesting and as well as frustrating experience. I am honored to have been able to fulfill the role of President of this 66 year old institution and am confident it will continue for many more years representing the interests of the smaller independent operators be it loggers, mill operators, brokers and all who need a bigger voice.

Yours truly,

Don Bendickson
President
The Truck Loggers Association
EXEcutivE DIRECTOR’S REPORT

2008 has proven to be a very difficult year for all involved in our industry. As the Executive Director of the TLA it is important that I help to set the direction and focus the efforts of our staff and resources during the year. At the start of the year, we were faced with two distinctly different challenges. The first dealt with the overall policy focus of government and the challenge of getting them to change from their decades old focus on the manufacturing sector, to a more relevant and sustainable model. The second challenge was to maintain the integrity and financial viability of our membership and the organization.

While someone in my position always wants to feel like they can make an impact and change the bigger picture, I regrettably have spent far too long working with government to be overly optimistic. When we began our initial work with the working roundtable on forestry, I amassed all of the previous studies that had been commissioned by government. What I found was that the issues were the same and the results were predictable. At the end of the day, the government (if they were still in power) would cherry pick out of these reports what was convenient and easy to do or they did what suited their current needs of the day. While I have been very impressed by the depth and focus of the discussions of the roundtable and the efforts of the staff and people like Thomas Olsen who have participated, I will not assume anything quite yet with regard to the end results. Nonetheless, the TLA committed a great deal of effort and resources to the roundtable process and we are hopeful that government is willing to engage in the deep change that they have discussed.

Knowing that we were facing some tough times ahead, I saw that it was more important now than ever to justify the existence of the organization. We have put a great deal of emphasis on building our affinity programs and the revenue that they provide to the TLA as well as the benefits that they provide to the membership. We have managed the office and expenditures with a great deal of restraint (as you have had to manage yours) and have consistently been under budget in our operations. The staff should be commended for their efforts in this regard. We will continue to try to balance the need to retain reserves for future emergencies with providing assistance to our sector that is presently struggling.

Financial Management of the Association

Financial results for 2008 can be summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>$810,041</td>
<td>$898,737</td>
<td>$809,569</td>
<td>$827,577</td>
</tr>
<tr>
<td>Expenses</td>
<td>$755,722</td>
<td>$846,091</td>
<td>$752,588</td>
<td>$821,118</td>
</tr>
<tr>
<td>Surplus</td>
<td>$54,319</td>
<td>$52,646</td>
<td>$56,981</td>
<td>$ 6,459</td>
</tr>
</tbody>
</table>

We also saw some minor changes to the staff structure during 2008. Colin Wong was brought on board as Director of Communications and Membership and brought over 10 years of practical experience to the role.
The following is the current staff structure for the TLA:

Membership

This year has proven to be very difficult for a number of member companies. While a significant number of new members joined the TLA over the year, a larger number terminated their membership. We have seen our overall number drop by about 10% this year and presently sits at about 460. Of those, approximately 60% are Industrial and the remainder are Associates. We have seen continued uptake on the Aon equipment and liability insurance program and the benefits program continues to be relatively stable. We will be undertaking a few non-member meetings this year in a variety of coastal communities, with a goal of bringing our present membership numbers back up to their historical numbers. We conducted a thorough survey of continuing members as well as those who departed and for the most part we have found that membership in the TLA continues to provide value.

BC Forest Safety Council

Over the past year I have served as the chair of the BCFSC Training and Standards committee and as a member of the Audit and Finance committee. There will be some changes in the new year with some significant governance changes within the council and I will most likely move to chair of the Audit and Finance committee. The addition of Bev Briscoe and a new CEO should help to refocus the direction of the Council.

The TLA continues to impress upon the staff and management the importance of reducing costs to their clients and improve upon customer service. This year a review of the SAFE companies program will be carried out with the intent of improving, simplifying and streamlining the existing program.

Land Use

2009 is expected to ring in the era of full implementation of EBM. While the TLA has had a presence throughout the process, through Lloyd Juhala and others, it would be inaccurate to say that the process was designed to welcome and
incorporate the input of contractors. The government continues to move ahead with its plans on the Queen Charlotte Islands and the future of the contractors who work there is still unknown.

**TLA Executive**

This year sees the changing of the guard. Don Bendickson will be moving to past President and a new President will be elected. Don has served in his role diligently and has provided very calming and stable leadership during some troubled times. I look forward to working with the new executive and expect that we will have a big challenge ahead of us. Many thanks to Mike Hamilton for the dedication, wisdom and fun that he brought to the TLA over his 14 year stint as a director, executive member and President.

While the job has been very frustrating at times, I can truly say that I am very happy to work for the type of people who are members of the TLA. I thoroughly enjoy the member’s meetings and wish that I had more time to spend in member’s operations, discussing issues of importance with them. I am going to try to do more of that this year. I have been a contractor most of my working life and that is where my heart lies. I hope that all of our members can make it through the tough times ahead and live to fight another day.

Yours truly,

David Lewis RPF
Executive Director
The Truck Loggers Association
PREAMBLE TO THE FINANCIAL REPORT FOR 2008

We have closed off the most turbulent and disappointing year in the Coastal forest industry’s history in a solid financial position. The Truck Loggers Association has seen some increase in bad debts which is mostly attributed to membership fees being deferred by companies that have been constrained by the downturn in the sector. As of this report being submitted for printing our short and long term investments are $912,000 which is $130,000 better than the budget forecast. Our short term cash position at November month end was $130,000. All things considered we are in good financial standing as we move into 2009. We have made some staff changes during the year and with the support and leadership of our Executive Director Dave Lewis and his team, budgets have been monitored or altered to insure our core activities are maintained while keeping a good control on spending.

Our Membership committee has continued its work to find new affinity programs to build mechanisms to meet our members needs while providing further financial support for running the organization. The TLA’s core affinity programs are growing in scale which is also helping increase the revenue stream to insure the TLA continues to build funding support for its activities. Much credit should go to Steve Hicks at AON for his work in growing the equipment insurance program which again has almost doubled. Fab Biagini’s from Johnstone’s Benefits has also worked hard on our TLA Benefits program to ensure the program has had little increase in premiums while maintaining the high-level of coverage for our member’s employees.

We have reduced this year’s convention budget revenues in anticipation that 2008 may have an impact on member participation. The convention committee and TLA staff have worked hard on negotiating with the hotel and suppliers to ensure our risks have been managed. While the 2008 convention did exceed the budget set for it, we are entering the 2009 convention with a bit of caution.

The communications committee has worked through this past year to insure that the magazine stays relevant as well as the website and hot sheets keep our members informed. The magazine revenues have been declining over the past issues so the committee and new staff member Colin Wong is working to find options that can turn this situation around and build new strategies on cost control and delivery which should reverse this trend.

The audit of our financial statements was performed by Meyers Norris Penny LLP, who reported no significant issues. I would like to again acknowledge the good work of our accountant Eric Pollock in preparing our monthly statements, and Executive Director Dave Lewis for managing the association within budget and being creative when needed.

This time last year we heard the Premier outline his concern for the forest industry and his direction to strike a Roundtable to work on repositioning BC as a forestry leader. Tomorrow we will hear the Premier report on the Roundtable’s progress and describe to us his vision. 2009 will be the year that the forest sector turns the corner and we start moving toward the light at the end of the tunnel. Our workers, their communities and BC will move into the future as our industry continues to adjust and innovate to meet the needs in a changing world. The TLA has and will continue to collaborate on behalf of our members who are the future of this industry. Together we can reposition ourselves and our communities to the vibrancy that once prevailed.

Thank you to our members and sponsors for another successful convention and have a safe and engaging 2009.

Thomas Olsen, MBA
The Truck Loggers Association

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</tr>
</tbody>
</table>
To the Members of The Truck Loggers Association

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian generally accepted accounting principles and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed entirely of directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association’s external auditors.

Meyers Norris Penny LLP, an independent firm of Chartered Accountants, is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Board and management to discuss their audit findings.

November 20, 2008

Executive Director
To the Members of The Truck Loggers Association

We have audited the statement of financial position of The Truck Loggers Association as at September 30, 2008 and the statements of operations and related schedules, fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Association as at September 30, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Nanaimo, British Columbia

November 20, 2008

Chartered Accountants
The Truck Loggers Association  
Statement of Financial Position  
As at September 30, 2008

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Donor Fund</th>
<th>Total 2008</th>
<th>Total 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>268,874</td>
<td>-</td>
<td>268,874</td>
<td>253,719</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>29,016</td>
<td>-</td>
<td>29,016</td>
<td>89,837</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>12,067</td>
<td>-</td>
<td>12,067</td>
<td>11,463</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>30,545</td>
<td>-</td>
<td>30,545</td>
<td>59,623</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>340,502</td>
<td>-</td>
<td>340,502</td>
<td>414,642</td>
</tr>
<tr>
<td><strong>Interfund balances</strong></td>
<td>(124,628)</td>
<td>124,628</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Investments (note 3)</strong></td>
<td>785,834</td>
<td>-</td>
<td>785,834</td>
<td>751,462</td>
</tr>
<tr>
<td><strong>Capital assets (note 4)</strong></td>
<td>17,462</td>
<td>-</td>
<td>17,462</td>
<td>23,449</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,019,170</td>
<td>124,628</td>
<td>1,143,798</td>
<td>1,189,553</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>43,240</td>
<td>-</td>
<td>43,240</td>
<td>87,300</td>
</tr>
<tr>
<td>Deferred contributions (note 5)</td>
<td>171,680</td>
<td>-</td>
<td>171,680</td>
<td>227,694</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>214,920</td>
<td>-</td>
<td>214,920</td>
<td>314,994</td>
</tr>
<tr>
<td><strong>Commitments (note 6)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fund Balances</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in capital assets</td>
<td>17,462</td>
<td>-</td>
<td>17,462</td>
<td>23,449</td>
</tr>
<tr>
<td>Internally restricted</td>
<td>-</td>
<td>124,628</td>
<td>124,628</td>
<td>129,648</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>786,788</td>
<td>-</td>
<td>786,788</td>
<td>721,462</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>804,250</td>
<td>124,628</td>
<td>928,878</td>
<td>874,559</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,019,170</td>
<td>124,628</td>
<td>1,143,798</td>
<td>1,189,553</td>
</tr>
</tbody>
</table>

Approved on behalf of the Board:  

[Signatures: Don Bendickson, Director; Thomas Olsen, Director]

The accompanying notes are an integral part of these financial statements.
The Truck Loggers Association  
Statement of Fund Balances  
For the year ended September 30, 2008

<table>
<thead>
<tr>
<th></th>
<th>General Fund</th>
<th>Donor Fund</th>
<th>Total 2008</th>
<th>Total 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>744,911</td>
<td>129,648</td>
<td>874,559</td>
<td>821,913</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over expenses</td>
<td>59,339</td>
<td>(5,020)</td>
<td>54,319</td>
<td>52,646</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>804,250</td>
<td>124,628</td>
<td>928,878</td>
<td>874,559</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
The Truck Loggers Association  
Statement of Operations  
*For the year ended September 30, 2008*

<table>
<thead>
<tr>
<th>Revenues</th>
<th>General Fund</th>
<th>Donor Fund</th>
<th>Total 2008</th>
<th>Total 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ assessments</td>
<td>267,731</td>
<td>-</td>
<td>267,731</td>
<td>249,403</td>
</tr>
<tr>
<td>Interest and miscellaneous</td>
<td>47,863</td>
<td>3,600</td>
<td>51,463</td>
<td>36,462</td>
</tr>
<tr>
<td>Benefit plan administration</td>
<td>136,779</td>
<td>-</td>
<td>136,779</td>
<td>137,111</td>
</tr>
<tr>
<td>Insurance program administration</td>
<td>26,233</td>
<td>-</td>
<td>26,233</td>
<td>37,466</td>
</tr>
<tr>
<td>Convention - net (schedule 1)</td>
<td>206,849</td>
<td>-</td>
<td>206,849</td>
<td>254,562</td>
</tr>
<tr>
<td>Trucklogger Magazine - net (schedule 2)</td>
<td>40,235</td>
<td>-</td>
<td>40,235</td>
<td>42,562</td>
</tr>
<tr>
<td>Convention auction</td>
<td>-</td>
<td>41,880</td>
<td>41,880</td>
<td>46,955</td>
</tr>
<tr>
<td>HRDC Program</td>
<td>41,572</td>
<td>-</td>
<td>41,572</td>
<td>78,196</td>
</tr>
<tr>
<td>Ecosystem Based Management Program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,654</td>
</tr>
<tr>
<td>Unrealized loss on investments</td>
<td>(2,701)</td>
<td>-</td>
<td>(2,701)</td>
<td>(1,634)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>764,561</strong></td>
<td><strong>45,480</strong></td>
<td><strong>810,041</strong></td>
<td><strong>898,737</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Committee:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>388,027</td>
<td>-</td>
<td>388,027</td>
<td>377,555</td>
</tr>
<tr>
<td>Consulting fees</td>
<td>16,692</td>
<td>-</td>
<td>16,692</td>
<td>36,673</td>
</tr>
<tr>
<td>General and administrative (schedule 3)</td>
<td>193,576</td>
<td>-</td>
<td>193,576</td>
<td>185,809</td>
</tr>
<tr>
<td>Amortization</td>
<td>5,987</td>
<td>-</td>
<td>5,987</td>
<td>6,742</td>
</tr>
<tr>
<td>Government and Forest Committee</td>
<td>27,135</td>
<td>-</td>
<td>27,135</td>
<td>33,674</td>
</tr>
<tr>
<td>HRDC Program</td>
<td>41,572</td>
<td>-</td>
<td>41,572</td>
<td>78,196</td>
</tr>
<tr>
<td>Ecosystem Based Management Program</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17,654</td>
</tr>
<tr>
<td>Membership Committee</td>
<td>2,568</td>
<td>-</td>
<td>2,568</td>
<td>595</td>
</tr>
<tr>
<td>Native Affairs Committee</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Publicity and Media Committee</td>
<td>22,165</td>
<td>-</td>
<td>22,165</td>
<td>40,177</td>
</tr>
<tr>
<td>B.C. Forest Discovery Centre</td>
<td>-</td>
<td>17,000</td>
<td>17,000</td>
<td>17,500</td>
</tr>
<tr>
<td>Scholarships and bursaries</td>
<td>-</td>
<td>22,000</td>
<td>22,000</td>
<td>24,000</td>
</tr>
<tr>
<td>Provider Pals</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>766</td>
</tr>
<tr>
<td>Donations and special projects</td>
<td>5,000</td>
<td>11,500</td>
<td>16,500</td>
<td>16,750</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>705,222</strong></td>
<td><strong>50,500</strong></td>
<td><strong>755,722</strong></td>
<td><strong>846,091</strong></td>
</tr>
</tbody>
</table>

**Excess (deficiency) of revenues over expenses**  
59,339  
(5,020)  
**54,319**  
52,646  

*The accompanying notes are an integral part of these financial statements*
### The Truck Loggers Association

**Statement of Cash Flows**

*For the year ended September 30, 2008*

<table>
<thead>
<tr>
<th>Activity</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash provided by (used for) the following activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash receipts from revenues</td>
<td><strong>1,161,310</strong></td>
<td><strong>1,138,897</strong></td>
</tr>
<tr>
<td>Interest received</td>
<td><strong>48,162</strong></td>
<td><strong>61,603</strong></td>
</tr>
<tr>
<td>Cash payments for expenses</td>
<td><strong>(771,914)</strong></td>
<td><strong>(878,792)</strong></td>
</tr>
<tr>
<td>Cash payments to employees</td>
<td><strong>(388,027)</strong></td>
<td><strong>(377,556)</strong></td>
</tr>
<tr>
<td><strong>Total Operating Activities</strong></td>
<td><strong>49,531</strong></td>
<td><strong>(55,848)</strong></td>
</tr>
<tr>
<td><strong>Investing activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of investments</td>
<td><strong>(352,075)</strong></td>
<td><strong>(373,907)</strong></td>
</tr>
<tr>
<td>Proceeds on disposal of investments</td>
<td><strong>317,699</strong></td>
<td><strong>348,601</strong></td>
</tr>
<tr>
<td>Purchases of capital assets</td>
<td><strong>-</strong></td>
<td><strong>(6,709)</strong></td>
</tr>
<tr>
<td><strong>Total Investing Activities</strong></td>
<td><strong>(34,376)</strong></td>
<td><strong>(32,015)</strong></td>
</tr>
<tr>
<td>Increase (decrease) in cash resources</td>
<td><strong>15,155</strong></td>
<td><strong>(87,863)</strong></td>
</tr>
<tr>
<td>Cash resources, beginning of year</td>
<td><strong>253,719</strong></td>
<td><strong>341,582</strong></td>
</tr>
<tr>
<td>Cash resources, end of year</td>
<td><strong>268,874</strong></td>
<td><strong>253,719</strong></td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements*
1. **Purpose of the organization**

   The Truck Loggers Association (the “Association”) was incorporated as a not-for-profit organization under the Society Act (British Columbia) in 1943 and is exempt from income taxes by virtue of section 149(1) of the Income Tax Act. The objects of the Association are:

   (i) to assist the members to co-operate among themselves for the better protection of the natural forest resources of the country;

   (ii) to assist the governments of Canada and the Province of British Columbia to stimulate better forest management;

   (iii) to obtain, prepare and disseminate among its members, information as to better operating methods and current trading in the industries; and

   (iv) to obtain, prepare and submit to the general public information as to the problems and achievements of the forest industries.

2. **Significant accounting policies**

   The financial statements have been prepared in accordance with Canadian generally accepted accounting principles using the following significant accounting policies:

   (a) **Revenue recognition**

       The Association uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are deferred and matched with related expenses as incurred. Contributions specifically provided for capital assets are deferred and then amortized to income at the same rate that the capital asset is being amortized.

       Two funds are maintained. The General Fund accounts for the Association’s program delivery, including the annual convention, production and distribution of the magazine and administrative activities. Members’ assessments are billed in May of each year and are recognized as revenue evenly over the following twelve months. Magazine revenues are recognized as income in the period in which the magazine is issued. Revenue earned from the benefit plan and insurance program administration is recognized as revenue in the period the administration relates and when the amount can be reasonably estimated and when collection is reasonably assured. Convention revenue is recognized as revenue in the period the convention is held.

       The Donor Fund reports income earned on internally designated investments and proceeds of the annual auction which are used to pay bursaries, donate to logging related causes and advance public awareness through education at the discretion of the Directors. Auction revenues are recognized in the period the auction is held.
2. Significant accounting policies – continued from previous page

(b) Capital assets

Capital assets are initially recorded at cost. Amortization is provided using the declining balance method (other than leasehold improvements) at the following annual rates:

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Annual Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>30%</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>20%</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>Straight line basis over term of the lease</td>
</tr>
<tr>
<td>Computer software</td>
<td>100%</td>
</tr>
</tbody>
</table>

In the year of acquisition, amortization is taken at one-half the above rates.

(c) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

(d) Financial Instruments

Held for Trading:

Any financial instrument whose fair value can be reliably measured may be designated as held for trading on initial recognition or adoption of CICA 3855 Financial Instruments – Recognition and Measurement, even if that instrument would not otherwise satisfy the definition of held for trading. The Association has classified the following financial assets and liabilities as held for trading: Cash, investments and accounts payable and accrued liabilities. Cash and investments are initially recognized at their fair value determined by published price quotations in an active market. Fair value of accounts payable and accrued liabilities is approximated by the instrument’s initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the trade date, and transaction costs are immediately recognized in current year earnings.

Held for trading financial instruments are subsequently measured at their fair value, without any deduction for transactions costs incurred on sale or other disposal. Net gains and losses arising from changes in fair value include interest income and are recognized immediately in current year earnings.
Loans and receivables:

The Association has classified the following financial assets as loans and receivables: accounts receivable and accrued interest receivable. These assets are initially recognized at their fair value. Fair value is approximated by the instrument’s initial cost in a transaction between unrelated parties. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income. Total interest income, calculated using the effective interest rate method, is recognized in current year earnings.

Loans and receivables are subsequently measured at their amortized cost, using the effective interest method. Under this method, estimated future cash receipts are exactly discounted over the asset’s expected life, or other appropriate period, to its net carrying value. Amortized cost is the amount at which the financial asset is measured at initial recognition less principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and less any reduction for impairment or uncollectability. Net gains and losses arising from changes in fair value include interest income and are recognized in current year earnings upon derecognition or impairment.

(e) Lease inducements:

Lease inducements are deferred and amortized as a reduction of rent expense over the term of the lease contract.

3. Investments

The Association’s investments are carried at fair value in accordance with the significant accounting policy disclosed in Note 2.

The Association’s investments are comprised of:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fair Value</td>
<td>Fair Value</td>
</tr>
<tr>
<td>Fixed income and related securities</td>
<td>730,862</td>
<td>692,032</td>
</tr>
<tr>
<td>Preferred shares</td>
<td>54,972</td>
<td>59,430</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>785,834</strong></td>
<td><strong>751,462</strong></td>
</tr>
</tbody>
</table>

A resolution passed April 28, 2003 requires that a reserve level of $120,000 be maintained in the Donor Fund at all times. This is reflected in the interfund balances.

4. Capital assets

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th></th>
<th>2007</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>128,260</td>
<td>119,177</td>
<td>9,083</td>
<td>12,975</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>119,783</td>
<td>111,404</td>
<td>8,379</td>
<td>10,474</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>49,403</td>
<td>49,403</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Computer software</td>
<td>6,029</td>
<td>6,029</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>303,475</strong></td>
<td><strong>280,026</strong></td>
<td><strong>17,462</strong></td>
<td><strong>23,449</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements
5. **Deferred contributions**

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Members’ assessment fees, relating to the period after September 30th</td>
<td>122,582</td>
<td>138,585</td>
</tr>
<tr>
<td>Revenues relating to upcoming January convention</td>
<td>8,400</td>
<td>59,728</td>
</tr>
<tr>
<td>Lease inducement fee</td>
<td>9,480</td>
<td>13,035</td>
</tr>
<tr>
<td>Ecosystem Based Management Provincial Funding</td>
<td>16,346</td>
<td>16,346</td>
</tr>
<tr>
<td>HRDC project grant</td>
<td>14,872</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total                                                                      | 171,680 | 227,694 |

Changes in deferred contributions during the year are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>227,694</td>
<td>277,635</td>
</tr>
<tr>
<td>Additions</td>
<td>90,175</td>
<td>411,422</td>
</tr>
<tr>
<td>Transfers into revenue</td>
<td>(146,189)</td>
<td>(461,363)</td>
</tr>
</tbody>
</table>

| Balance, end of year         | 171,680 | 227,694 |

6. **Commitments**

The Association is committed to monthly pension payments of $403 to the widow of a past executive director for the remainder of her life.

The Association occupies leased premises with estimated minimum annual payments, not including triple net charges, as follows until May 31, 2011:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>35,550</td>
</tr>
<tr>
<td>2010</td>
<td>35,550</td>
</tr>
<tr>
<td>2011</td>
<td>23,700</td>
</tr>
</tbody>
</table>

| Total | 94,800 |

The accompanying notes are an integral part of these financial statements.
7. Related party transactions

Included in these financial statements are transactions and balances with companies controlled by Association board members as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues earned during the year</td>
<td>161,630</td>
<td>269,613</td>
</tr>
<tr>
<td>Expenses paid during the year</td>
<td>2,181</td>
<td>-</td>
</tr>
<tr>
<td>Accounts receivable as at September 30th</td>
<td>2,650</td>
<td>2,717</td>
</tr>
</tbody>
</table>

The transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. Financial instruments

All significant financial assets and financial liabilities of the Association are either recognized or disclosed in the financial statements together with other information relevant for making a reasonable assessment of future cash flows, interest rate risk and credit risk.

The Association as part of its operations carries a number of financial instruments. Its management’s opinion that the Association is not exposed to significant interest, currency, or credit risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Association to concentrations of credit risk consist primarily of accounts receivable as the Association’s revenues are concentrated in the forestry sector and 83% (2007 – 85%) of accounts receivable are due from two customers (2007 - three) – Insurance Program provider and Truck Logger magazine publisher. The maximum credit risk exposure is $80,653 (2007 - $113,366). Credit exposure is limited as a result of the credit quality of the Insurance program provider and publishing company. Additionally, the Association provides allowances for potentially uncollectible amounts and regularly monitors the receivables.
8. **Financial Instruments** — continued from previous page

The aging of accounts receivable past due is as follows:

<table>
<thead>
<tr>
<th></th>
<th>One month to three months past due</th>
<th>Greater than three months past due</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts receivable</td>
<td>23,796</td>
<td>56,857</td>
<td>80,653</td>
</tr>
<tr>
<td>Allowance for doubtful accounts</td>
<td>-</td>
<td>(51,871)</td>
<td>(51,871)</td>
</tr>
<tr>
<td></td>
<td>23,796</td>
<td>4,986</td>
<td>28,782</td>
</tr>
</tbody>
</table>

Changes in allowance for doubtful accounts during the year are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>(23,529)</td>
<td>(26,981)</td>
</tr>
<tr>
<td>Recoveries</td>
<td>-</td>
<td>255</td>
</tr>
<tr>
<td>Additions</td>
<td>(40,962)</td>
<td>(22,303)</td>
</tr>
<tr>
<td>Write offs</td>
<td>12,620</td>
<td>25,500</td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td>(51,871)</td>
<td>(23,529)</td>
</tr>
</tbody>
</table>

*Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through diversifying its interest-bearing investments.

The Association is exposed to interest rate risk with respect to investments with a carrying value of approximately $785,834, all of which are invested in preferred shares, bonds, and GIC’s with varying interest rates and maturity dates.

An increase in interest rates of 1.0% may result in a $19,226 decrease in the fair value of investments held.
A decrease in interest rates of 1.0% may result in a $20,046 increase in the fair value of investments held.

*Liquidity risk*

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk is measured by reviewing the Association’s future net cash flows for the possibility of a negative net cash flow. The Association manages the liquidity risk resulting from the accounts payable and accrued liabilities by investing in liquid investments.
Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association enters into transactions to purchase investments, for which the market price fluctuates. The Association manages this risk through its investment policy.

Financial asset impairment:

At each year-end date, the Association is required to evaluate and record any other-than-temporary impairment of its financial assets, other than those classified as held for trading. Accordingly, the Association has compared the carrying value of each of these financial assets to its fair value as at September 30, 2008. No provision for impairment was recorded in the current year, as the fair value of all financial assets exceeded or did not differ significantly from their carrying value.

Fair Value:

The carrying amount of cash, investments and accounts payable approximates their fair value due to the short-term maturities of these items.

Fair value estimates are made at a specific point in time, based on available relevant market information and details of the financial instrument. However, in cases where they may not be fully supported by observable market prices or rates, assumptions may be subjective, and fair value cannot be estimated with precision.
### Schedule 1
The Truck Loggers Association
Schedule of Convention Operations
For the year ended September 30, 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticket sales</td>
<td>207,804</td>
<td>253,744</td>
</tr>
<tr>
<td>Displays</td>
<td>148,399</td>
<td>161,676</td>
</tr>
<tr>
<td>Sponsored functions</td>
<td>229,490</td>
<td>223,300</td>
</tr>
<tr>
<td></td>
<td>585,693</td>
<td>638,720</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>378,844</td>
<td>384,158</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td><strong>206,849</strong></td>
<td><strong>254,562</strong></td>
</tr>
</tbody>
</table>

*The accompanying notes are an integral part of these financial statements*
### Schedule 2
The Truck Loggers Association
Schedule of Magazine Operations
For the year ended September 30, 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>56,615</td>
<td>63,301</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Editorial</td>
<td>14,052</td>
<td>16,755</td>
</tr>
<tr>
<td>Graphics, photography and redesign</td>
<td>1,172</td>
<td>2,583</td>
</tr>
<tr>
<td>Office and miscellaneous</td>
<td>1,156</td>
<td>1,401</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td>16,380</td>
<td>20,739</td>
</tr>
<tr>
<td><strong>Excess of revenue over expenses</strong></td>
<td>40,235</td>
<td>42,562</td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements.
# Schedule 3
The Truck Loggers Association
Schedule of General and Administrative Expenses
For the year ended September 30, 2008

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting, audit and legal</td>
<td>35,419</td>
<td>34,363</td>
</tr>
<tr>
<td>Bad debts</td>
<td>36,963</td>
<td>22,048</td>
</tr>
<tr>
<td>Bank charges and interest</td>
<td>6,836</td>
<td>5,235</td>
</tr>
<tr>
<td>Courier and postage</td>
<td>3,957</td>
<td>6,397</td>
</tr>
<tr>
<td>Directors’ meetings and expenses</td>
<td>1,236</td>
<td>11,662</td>
</tr>
<tr>
<td>Insurance</td>
<td>8,244</td>
<td>8,256</td>
</tr>
<tr>
<td>Office, computer services and other</td>
<td>31,201</td>
<td>29,072</td>
</tr>
<tr>
<td>Rent</td>
<td>58,931</td>
<td>59,052</td>
</tr>
<tr>
<td>Telephone</td>
<td>10,788</td>
<td>9,724</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>193,576</strong></td>
<td><strong>185,809</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of these financial statements
2007 / 2008 COMMITTEES

Worker Health & Safety Committee
Graham Lasure – Chair
Rod Visser – Vice Chair

Convention Committee
Graham Lasure – Chair
Dave Douglas – Vice Chair
Larry Wobick
Blair Gourlay
Joe Fornari
Ernie Friesen

Membership Committee
George Lambert – Chair

Communications Committee
Dave Clarke – Chair
Brian Mulvihill – Vice Chair

Education Committee
Jacqui Beban – Chair
Angus Allison – Vice Chair

Forestry Committee
Bill Markvoort – Chair
Greg Main – Vice Chair
EBM Sub-Committee - Bob Brash

Aboriginal Affairs Committee
Rod Visser – Chair
Gord Thompson - Vice Chair

Industrial Relations Committee
Patrick Davidson – Chair
Rob Russell – Vice Chair

Transportation Committee
Alan Wiliamson – Chair
2008 marked the second year in a row that the industry's incident rate per cubic metre of harvest increased. In particular we saw some tragic and disappointing results with regard to faller fatalities. Our sincere condolences go out to the families of those workers. We think that this underscores the need for continual attention, review and improvement within our safety efforts in the industry.

**BC Forest Safety Council**

While the SAFE companies initiative and the faller certification program were both in full operation, the past two year’s results have demonstrated that a regimented and bureaucratic process does not guarantee good safety results. Safety is a culture and it involves good systems, training and continued awareness in all that we do. A good safety program is a key part of a productive operation. For this reason the TLA has been pushing the BCFSC to review their current programs and place more focus on efforts to improve safety on the ground rather than systems and reporting requirements. WorksafeBC has also indicated that it will be examining these programs to ensure that they are receiving good value for the money that they are spending.

Administratively, there have been some significant changes occur this year. The two co-chairs, Ron Gorman and Lee Doney have left the organization and have been replaced by Bev Briscoe. Bev is familiar with the industry and has already shown that she will be a big asset to the Council. The CEO has also left and will be replaced early in the new year. Significant changes to the structure of the Council and how it is operated are being undertaken after a great deal of diligent work by those involved in the governance review of the Council. There are some very dedicated individuals who are involved with the Council on behalf of their own organizations and I am comfortable saying that the industry participants are taking a more active role than ever in its management and direction.

While the Council continued to increase registration with over 3000 companies registered, there are still a number of companies who have chosen to not become SAFE certified. BCTS has set a deadline for companies who wish to operate on the ground within their operations to be SAFE certified and we commend their courage and commitment to the program.

WorksafeBC has recently revised its part 26 regulations and is encouraging industry awareness and adoption of these changes in 2009. There continues to be a disconnect between the legislated requirements of WorksafeBC and the SAFE company programs. Simply being SAFE certified does not guarantee or eliminate the need to be aware and diligent in adhering to WorksafeBC legislation. SAFE company certification should help you to meet the legislated requirements but it does not ensure that in and of itself. Regardless of any program or training regime it is inevitably up to individuals to make safety an overriding priority in our industry.

On behalf of the membership, the TLA will continue to sit on and be directly involved with all boards and associations that play a safety role in the BC forest industry. Should you require information on any of the above initiatives or programs please contact me directly or through the TLA office.

Yours truly,

Monty Hussey
Worker Health and Safety Committee Chair
Convention Committee Report

This year’s conventions theme “Celebrating our Past, Shaping our Future”, is very timely as we believe that together with the current government and the results of the Roundtable, we hope that the TLA will have been instrumental in shaping our future. That said we must not forget the past of this illustrious Industry and how all along the way the TLA and its supporters have been constantly helping to improve the future.

For our 66th annual convention we are also going back to our roots by holding our event at the Bayshore, which we haven’t done since 1987. We hope this brings back many fond memories to those that attended those conventions and creates some new ones for this year’s attendees.

The organization of our convention this year was not without its pitfalls but I believe we will succeed in having a very successful gathering despite our Industry’s, and the world’s current financial situation. During planning and budgeting we had to take into account a likely drop in both attendance and financial support through sponsorship and the sale of floor space. At the time of writing, we are within our targeted budget range, however as a worst case scenario we may need to draw down on the surpluses created by previous years shows.

Future Conventions:

For 2010, due to the upcoming Olympics, our convention will leave Vancouver for the first time since its inception and be held in the capital city of Victoria, BC. We have a wonderful venue waiting for us at the Empress Hotel and the Crystal Gardens, and we believe the locale will attract many people and businesses who do not normally attend our event, once again making for a promising convention. 2011 has yet to be decided but one possibility is that it could take place in the new Vancouver convention centre. Also for the future, and at the suggestion of the suppliers group, we have agreed to hold a heavy equipment show at most once every three years. So that suppliers only need to exhibit heavy equipment at one show per year, it will rotate between the TLA, the ILA, and Forest Expo. Therefore the next possible TLA heavy equipment show will be in January 2011.

I will not go over our convention agenda as you will all have copies of it, except to say that we have some very interesting panels that will hopefully spark lively discussion and be thought provoking. This year we also have the cost savings and benefit of the extra information sessions as being joined by the SAFER Council; the Western Fallers Association; the Society of Consulting Foresters; and the Aboriginal Forest Industry Council. Please be sure to attend, and support their events where possible and thank them for their participation.

I want to thank all our suppliers and sponsors for their ongoing support in these troubled times, but most of all I would ask that you all join me in thanking our staff and in particular TLA Events Director Helena Jehnichen who is instrumental in making sure our convention, and all our events are a grand success.

Please participate and enjoy the events.

Respectfully

Graham Lasure
Convention Committee Chair
MEMBERSHIP AND BENEFITS COMMITTEE REPORT

At year’s end, 2008, our membership was as follows:

- Associate members: 181
- Industrial members: 275
- Retired members: 5
- Total: 461

Over the year the committee and TLA staff focused on expanding the affinity programs, members meetings, attracting new members and retaining existing members.

The TLA lost members in 2008, primarily as a result of negative market forces. Unfortunately we lost about nearly 10% of our membership because of the difficult economy or business closures. To combat this attrition we have continued working on initiatives, which we hope will offset the 2008, loses.

In addition to the convention we had two members meetings in 2008, which were well attended. The spring meeting in Courtenay had an audience of approximately 65 members, which featured speakers from BCTS, Meyers Norris Penny and the BCFSC. The fall meeting in Campbell River was also well attended and featured a presentation on Stumpage 101 from Mike Greig of Enfor Consultants and a review of recent arbitrations under Bill 13. Many thanks to Helena Jehnichen for organizing the events and catering the Campbell River event.

There are no changes to the Health and Dental benefits program in 2008 and participation remained strong.

The Aon insurance program grew in 2008 and continues to be a positive benefit to the organization and the members. We have been approached by other organizations that are interested in accessing this industry leading insurance program. This is an excellent opportunity to increase our membership and revenue from affinity programs, which we need to continue with the lobby efforts.

For 2009, we are initiating a renewed membership drive. Continuing to building the data base of non-member companies that operate in the forest industry and in the spring will hold membership drive meetings in various communities starting with Port Hardy in March, to entice non-member companies to take a hard look at the benefits of membership. Additionally we will be including a survey request with the membership renewal forms so we can gather more information about the membership, which is important so we can represent the members effectively, and lobby on their behalf successfully.

The affinity programs have been expanded with the addition of a new personal property/homeowner insurance program delivered by Marsh. Affinity programs continue to be excellent marketing tools in 2008 with approximately half the new members joining so they could take advantage of them. For those members who take advantage of them, the value of the affinity programs typically exceeds their membership dues.

In order to take advantage of these opportunities and still have the TLA clearly lobby on behalf of the core membership, we recommend expanding the definition of an associate member to allow those companies who are members of related organizations that want to access our affinity programs. This change will allow us to sign up non-core industrial companies, enjoy increased member numbers and revenue from programs, while not confusing our mandate.
The logging contractor and their supplier base and all forest dependent communities based business, needed a strong voice. The TLA has the credibility and lobby power to help put forward the message that coastal communities depend on our businesses being healthy. The organization needs all the members it can attract to help in this effort.

I would like to thank committee members Brian Mulvihill and Graham Lasure, Fab Bagiani of Johnstone’s Benefits, Steve Hicks of Aon insurance, Director of Communications and Membership Colin Wong, Events Director Helena Jehnichen and Executive Director Dave Lewis for all their hard work and support throughout the year.

Yours truly,

George Lambert
Membership Committee Chair
The TLA Group Benefits Program

Overview

The TLA group benefit plan has a long track record of providing quality benefits and stable costs to its members; this year is no different. During the past few years, while costs for most benefit plans were seeing double-digit increases, the TLA Plan managed to keep these increases to single-digits. Our projections again this year indicate that the plan members will once again see only a modest overall increase.

Under the TLA plan, companies with as few as one employee have access to a comprehensive benefit package, while companies with 10 or more employees are able to customize their own benefits.

General Trends

Publicly-funded health care continued to be the focus of both provincial and federal governments, as it has over the past number of years. Not surprisingly, we anticipate further changes in how governments deliver health care and this will inevitably add pressure on all private health plans, including the TLA’s.

Although health care costs continue to be the chief area of concern, these past few years have also seen a significant increase in the number of disability claims which has impacted our costs.

2008 Plan Highlights

- Over 229 member companies currently participate in the program
- Over $2,239,000 in claims paid to members during the past 12 months (Nov ‘07 to Oct ‘08)
- Over $720,000 paid in dental benefits
- Over $640,000 paid in health benefits
- Over $500,000 paid in disability benefits (in addition, the insurer has set aside reserves of $1.2 million to ensure future financial responsibilities are met)
- Three life insurance claims totalling $190,000 paid
- One A.D. & D claim has been paid for $50,000

Life Insurance – Basic and Optional

Since January 2008, there have been three life insurance claims paid out, totalling $190,000. The number of claims has increased over the past few years and as such, we anticipate an increase in premiums of 10%.

Accidental Death and Disablement (A.D. & D.)

Should death occur as a result of an accident, an amount equal to the life insurance will be paid in addition to the basic life insurance coverage. This benefit provides coverage 24 hours a day, anywhere in the world. Partial lump sum amounts are payable for the loss of, or loss of use of, sight, hearing, speech, or appendages with up to twice the basic life insurance amount payable for paraplegia, hemiplegia, or quadriplegia.

There was one A.D. & D claim paid for $50,000 since January 2008. However, we anticipate no change in the current premium.
**Disability – Short Term Disability (WI) and Long Term Disability (LTD)**

If you are unable to work due to a disability, short and long term disability will pay a weekly or monthly benefit based on your reported income.

It’s important to note that the majority of disability claims paid under the TLA plan are for non-occupational disabilities (virtually all occupational injuries are paid by WorkSafe BC). The causes of disability claims have not changed significantly over the past few years, although coronary disease and cancer are on the rise. Musculoskeletal problems remain the most common reason for disability, representing 50% of all claims.

This past year has seen a significant increase in LTD claims—almost double the current number of active claims from nine to seventeen. As a result of these claims, the insurer has set aside $1.2 million in reserves to ensure funds are available to pay these claims, should they continue to their full duration (or to the maximum age of 65).

With eight new LTD claims, we anticipate a significant increase in LTD rates: possibly in excess of 40%. Alternatively, WI claims have performed better than anticipated and therefore we should see a reduction of 5% to 10%.

**Extended Health**

Prescription drugs continue to make up the largest component of the extended health benefit, representing 85% of the total health claims paid. Although provincially we are expecting the cost of health claims to increase by over 15%, the TLA plan continues to operate better than expected, and therefore we should see only a moderate increase in these premiums.

**Dental**

Annually, the British Columbia Dental Association reviews and recommends fees for dentists. As was the case last year, we anticipate that their 2008 General Practitioner Fee Guide increase will be in the range of 3% – 4%. Although dentists will charge more for their services this next year, the TLA is operating better than expected and therefore we anticipate the dental premiums to reduce slightly this year.

**Summary**

The TLA Benefit Plan continues to provide quality benefits and stable pricing. Although disability claims costs are increasing significantly over this past year, we can expect a modest overall increase in the coming year.

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Fabrizio (Fab) Biagini
Johnstone’s Benefits
The Truck Loggers Association was actively engaged in a wide variety of communications activities and programs over the course of 2008. We came through last year’s convention with several print stories about our event as well as numerous radio and television interviews throughout the Coast.

Our communications plan is a living document. It lays out a number of important key messages for the TLA, but also recognizes that messaging is a dynamic activity and that to be successful, it is important to be aware of current hot topics in the press. To this end, the TLA developed a media monitoring service released to TLA members. This service has proven to be very valuable and helpful for TLA board members to respond to issues in the media and continues to be provided by Sandy McKellar, who has departed from the TLA but continues to provide this valuable service.

We are actively engaged in building stronger relationships with media personnel and reporters. Dave Lewis has a good working relationship with Vaughn Palmer and other important political journalists, as well as forestry reporters such as Gordon Hamilton. Our new Director of Communications, Colin Wong, has been active in getting Dave and the TLA’s message to journalists at publications such as the Vancouver Sun, the Province, the Globe and Mail, and to broadcast journalists such as Christy Clark and Fanny Kiefer. Wong has leveraged his relationships with the media to consistently place our messages to the public and political stakeholders.

The Working Roundtable on Forestry was a large focus for our communications this past year. Much of our media relations efforts have been to put our message forward about the need for a clear vision of what the industry will look like in the future. To this end, Dave and Colin met with the editorial board of the Vancouver Sun and subsequently, the TLA was asked to submit an opinion editorial piece for the newspaper. Much of our media relations for 2008 served to put forth our support for the Roundtable and the opinion of the TLA on this important process.

The TLA continues to focus attention on reaching out to communities. Leading this charge is Dave Lewis, who is in his second year at the helm of the TLA. This year we focused our outreach program on the Convention of the Union of BC Municipalities (UBCM) where the province’s mayors gathered for a large trade show and three days of presentations and meetings. Dave also met and presented to the BC Community Forests Association, and continues to forge a stronger relationship with this growing and important voice in the industry.

National Forest Week coincided with the UBCM. The TLA celebrated by joining forces with the Association of BC Forest Professionals and the BC Forest Safety Council to promote our annual children’s art contest. Submissions came from across the province and demonstrate that forestry is still in the minds of our children.

Our communications efforts are supported through a variety of print materials. The Truck Logger Magazine is the most obvious. We have focused over the last year on setting story themes that are reflective of TLA goals and advocacy work. Establishing a regular slate of strong writers who understand our sector and our mandate has improved our messaging. On the cover of the magazine we have endeavored to feature the working faces of the sector, keeping the theme that we established last year.

We have been able to reduce many of our creative and photographic costs through in-house expertise, at the same time increasing the professional look and feel of the magazine by keeping the close relationships we’ve built with the team at Canada Wide Publishing, who produce the magazine.
Keeping our members informed is another very important aspect of the communications program. The newsletter continues to bring present a wide range of articles and stories, and share listings of important events and announcements in the Coastal sector. We continue to work on maintaining and upgrading our database so that member information is current and relevant, facilitating better communication to a wider population of the membership base.

As we prepare for the convention, “Celebrating our Past, Shaping our Future”, we are continuing with our survey which will allow us to gauge and monitor member opinions, which is especially important in the down market we are facing. On the horizon for 2009 are more services on our web site, including a job board and member forum that will allow members to share ideas and information. Our website will once again improve our ability to communicate with both our membership as well as the various target audiences identified in our communications plan. Dave Lewis and the board are also working on a long term vision for the sector that will bring together many industry players to identify where our industry should be in the future and lay out steps we will need to follow to get there.

Together with my co-chair Brian Mulvihill, and TLA staff I am excited about what 2009 and beyond will bring. We hope to build on the positive feedback we’ve received from our traditional audience and stakeholders and from the increasing support we’ve received from the public on our vision for the Coastal industry. I look forward to continue working on this important portfolio.

Best regards,

Dave Clarke
Communications Chair
The TLA Donor Fund is our source of revenue that contributes to the TLA Forestry Education programs. The 2008 donor fund auction had income of $41,880. Each of the funding requests that the TLA receives throughout the years gets presented to the board of directors and has to meet the guidelines of the TLA’s spending support criteria. The following programs continue to be supported by the TLA:

- Students from the University of British Columbia, the British Columbia Institute of Technology, and Malaspina-University-College received scholarships for a total of $22,000. Each student was recognized at the 2008 Convention.

- The Malaspina University-College Library once again received $5,000 towards the project. This is the last year of the five year commitment from the TLA.

- The BC Forest Discovery Museum was granted $7,500 to assist with their display of Coastal forest industry heritage at the 2008 TLA Convention. The TLA also provided $10,000 to help fund the third year of the grade school education program. The TLA is the largest supporter of the BC Forest Discovery Museum.

- The Campbell River and Port Alberni Logger’s Sports Day Events were again each supported with $750 per event. Sponsorship provides the TLA with the opportunity to extend the awareness of the organization and its benefits to local communities.

- The Festival of Forestry was supported with our annual commitment of $5,000 to extend an improved understanding of the forest industry to teachers. This funding helps the Festival of Forestry in its program of conducting teacher’s tours of the woods via the Bill Moore Legacy Fund.

- The Campbell River Junior Forest Wardens received $50 to assist in transportation to send the kids to camp.

- The ForestED West Conference was again supported with $5,000 for its biannual conference to be held in January 2009.

The way that we issue scholarships and the amount to each student is going to be reviewed in the upcoming year.

There appears to be general consensus among forest associations that there needs to be an education format for forestry that is available in kindergarten to grade twelve. This is in its early stages and we are cautiously optimistic that it will go forward with all forest association representatives.

In 2008, education expenditures exceeded revenues and the balance of the Donor Fund was again reduced as the TLA continues to support many programs. There will be a live auction at both Suppliers’ Night and at the President’s Banquet and Ball, and a silent auction at the Banquet and Ball to generate income for the Donor Fund.

Jacqui Beban
Education Committee Chair
FORESTRY COMMITTEE REPORT

One day I would like to stand up in front of the Annual Meeting and say that things are looking better and brighter, that we are experiencing stronger demand for our products, and that we are finally seeing the benefits from renewed and enlightened forest policy. That day has not yet arrived.

We started 2008 with the Premier announcing a 90 day Regulatory Review chaired by Dana Hayden at the Premier’s TLA luncheon. The goal of the Regulatory Review was to cut red tape, streamline the regulatory process and reduce the cost burden. There was a feeling within government that unnecessary and unwanted policy abounded that could be done away with. While over 550 suggestions were submitted, the realization soon set in that there were few silver bullets. The largest policy cost drivers were deemed to be either too politically sensitive, too costly to government or impossible due to Softwood Lumber Agreement constraints. Most of the major suggestions came from licensees as they are the most highly regulated. While the TLA participated in the process, the government desired a consensus based approach be taken by industry. This meant jointly agreed upon priorities. As one could imagine there were several issues that the TLA and licensees did not see eye to eye on so they were scrapped. Two initiatives which the TLA did champion that were moved forward were lump sum timber sales and moving quickly to replace licensee cost data with BCTS cost data in the calculation of stumpage.

At the same TLA luncheon the Premier also announced the Working Roundtable on Forestry which was to look at improving forest policy. This was largely due to a TLA request for a vision from government on where the Forest Industry lay in their priorities. Tom Olsen was asked to sit on the Roundtable and although he sat as an independent and did not represent the TLA, he clearly, articulately and relentlessly contributed the perspective of the independent operator involved in coastal forest operations. His contribution should not be undervalued as he spent countless hours representing the independent contractor’s views. The TLA dedicated a great deal of time to produce and submit its core position document entitled “After the Storm”. The TLA specifically requested that the Roundtable frame the process of policy reform within an overall Vision for the coast. Harry Nelson and economist at UBC prepared a paper entitled The Economics of Contracting on the BC Coast for the TLA which details the issues facing the contractors and the forest industry on the coast and suggest changes to tenure and log markets. We also engaged in discussions and made submissions regarding tenure and stumpage reform, log exports and Bill 13 contracts. Our desired outcomes include greater public and government support for the forest industry, more certainty over the forest land base, a more open, robust and functioning log market, and mechanisms to promote financial security for the forest products and contracting sector. We believe that in order to accomplish these goals, government must support tenure reform, changes to the stumpage system and an increased ability to manage the forests for value. The Roundtable is scheduled to file its report to the Premier’s office in December of 2008 and we will hear more about the outcomes in 2009.

Log Exports

The TLA worked throughout the year to answer to and remove false information that was frequently disseminated through the media on log export issues. The TLA responded to most articles with a balanced and informed TLA point of view. In September the TLA made a presentation to the Select Standing Committee on Finance, presenting our position on log exports (among other things) and asking for a temporary suspension of the log export fee-in-lieu.

Compensation for Reductions in Cut

Dave Lewis and Bob Brash have communicated with Doug Konkin both Forest Ministers and the Premier on compensation for cut reductions as a result of policy changes such as (EBM) and land use decisions. These discussions are ongoing.
**Timber Sale Advisory Committee**

I sat as the TLA member on the TSAC committee which meets four times a year to advise the government on BCTS issues. Of note BCTS lost money for the first time in the third quarter. BCTS has also received an expanded mandate to work with and develop timber in partnership with First Nations. Led by Dave Pederson, BCTS has some very capable people who are working hard to improve their operations and should be seen as key players who can aid the TLA and its membership in improving the outlook for the future of the coastal industry.

**Bill 13 Arbitrations**

On the legal front, there have been a couple of notable arbitration rulings this past year. The TLA ensured that members were informed of both of these, with Steve Ross and Jeff Waatainen speaking to these determinations at both members meetings we held.

**Contract Security**

The TLA is currently lobbying the government for security regarding Bill 13 contracts. Two issues that need to be resolved are a contractor’s ability to collect money that is owed to them in the event of a licensee bankruptcy and the succession of their contract rights when licenses are sold through a bankruptcy process.

As can be expected, when times are tough there is more work to be done. While the TLA is confident that they provided meaningful input and leadership to the Working Roundtable on Forestry, it will be government actions that come out of the process that will validate the efforts that were made.

All the TLA directors were members of the Forest Policy Committee, so thank you very much for those who attended the Thursday 3 pm sessions where we discussed and hammered out the TLA direction on the issues discussed above. Thank you also to Dave Lewis for the heavy lifting he has done on forest policy and to all the staff at the TLA for their support this past year. We have a strong team.

J.W. (Bill) Markvoort
Forestry Committee Chair
ABORIGINAL AFFAIRS COMMITTEE REPORT

For 66 years the TLA has had the foresight to look back over the previous year while contemplating the years ahead. Few years have seen more difficult change and have foreshadowed a future that is more uncertain. Understanding 2008 through the lens of the First Nations forest industry it is clear that the forces that buffeted the coastal forest sector and the TLA membership had similar and equally complex impacts for this emerging force. Even though the economic landscape shifted several times, clear strides were made and the TLA and its Board remained focused on understanding these new licensees and how they relate to the membership, how government policy and the legal world has shifted because of them. Our focus continued to build bridges with First Nations, their forestry associations and their corporations and partners. Despite so much uncertainty in 2008 one fact became very clear; First Nations are going to be a very big part of how anyone shapes the future of the coastal forest industry.

Forest and Range Agreements/Opportunity

In 2003 the Province began to sign agreements with the First Nations of BC providing revenue sharing and forest tenure opportunities in exchange for “workable accommodation” in their territories. These FRO’s, as they are called, are much of the underpinning of change in this segment of the industry. All of the impacts of these changes are emerging with more clarity since the last Convention.

For the first two or three years few Nations were able to move on their licenses. Some capacity limitations within Nations to create corporate structures and new partnerships, combined with complex and new regulation, slow timber allocation and awards, and lots of economic uncertainty contributed to the “black hole” that the TLA brought to the forefront of forest policy discussions. The hundreds of thousands of meters of wood that had been awarded, much of it from the take back in 2002/3 and previously harvested by TLA membership was simply left standing.

Encouragingly, 2008 saw the first significant volume of wood begin to find its way to markets with Nations logging from Wuikinuxv on the Central Coast to Port Renfrew on southern Vancouver Island. A number of TLA member companies have been directly involved, some as partners, some as financiers, some as suppliers, contractors or consultants. Certainly there is a collective understanding that faster would have been better as markets for all logs continue to slide, but there also seems to be a sense of optimism and opportunity around First Nations licensees and their potential over the long term to provide new wood into an open market. Of course this optimism must be tempered by the current challenges facing the global economy but the TLA Executive continues to look out over a longer time horizon and offer its support, encouragement and positive solutions. Each of these licenses presents a new opportunity for our contractors, suppliers and forest workers that have been caught in the downward spiral of the traditional licensees.

One of the most significant consequences of the FRO awards has been the growing capacity of the Nations themselves in understanding the forest economy and what their potential is over time. The settlement of Treaties notwithstanding, there is a real movement by a number of Nations to expand their role through acquisition of tenures outright. This interest is perfectly matched to the current financial challenges facing each of the large licensees that create the potential need to dispose of some assets through the subdivision and sale of tenure. Looking forward, the Nations, with their considerable access to capital and growing interest in a larger role in the economies within their territories, are going to increase their presence in this industry.

Moreover, this past year saw the Province continue to sign new agreements with timber allocations of nearly 500000 m³, not including two major agreements in Haida and Ahousaht both of which will see that number increase two or three times over. Coincidently the first of the 120 or so five year FRA/FRO agreements are coming up for renewal within a month of this years Convention. Negotiations are underway and there can be no doubt that these renewals will continue to present both challenges and opportunities to the TLA membership.
The New Relationship and the TLA

Through the past year the Province has continued to work with both the First Nation’s Leadership Council and individual Leaders to craft a New Relationship between the two levels of government. The complex nature and scope of the idea is difficult for all at the table. Expectations are high and results have been mixed to date, but government has shifted much of its thinking regarding consultation and accommodation of aboriginal rights and title. There are fewer sectors more impacted by this shift in policy development and decision making than forestry. In part this New Relationship gave rise to the FRO agreements but it has also shaped land use planning, tenuring of crown lands, and decision making on the ground. The TLA continues a positive engagement with Nations and government to help try and shape government to government negotiations by ensuring they are inclusive of the needs and interests of the TLA membership.

Concurrently the TLA executive has been both supportive and creative in its discussions with government and the First Nations. The Executive and Board have been engaged on a number of fronts, including extensive participation in the Forestry Round Table announced at last year’s convention, discussions of implementation of ecosystem based management (EBM) on the Central Coast, the various land use planning tables, and working with organizations such as the Turning Point Initiative and the Aboriginal Forest Industries Council (AFIC).

The TLA has been supportive of changes to both the FRO policy and the stumpage system that does not account for the type of tenures and costs associated with FROs. We have encouraged the divestiture of tenure by the major licensees and have shown leadership on creating alternatives to Bill 13 to facilitate transfers while protecting the interests of the membership. Moreover, the TLA has encouraged its individual members to be creative in their approach to these emerging opportunities and bring solutions to the table that can benefit everyone.

It is also significant that this year that AFIC is holding its Aboriginal Forest Management Institute, a two day management development program for First Nations forestry professionals that operate in 85 communities across BC, concurrent with the TLA Convention. The TLA is supporting this program both financially and with technical assistance through its member companies and has been encouraging the synergies that can be realized by bringing the two events together at the same time.

Part of building the TLA is a responsibility to build a new relationship with First Nations and their forest enterprises by encouraging membership in the TLA itself. This year the Ch-ihl-kway-uck and the Tseshaht have joined the association, as has Capacity Forest Management of Campbell River who manages over a dozen First Nations forest enterprises across the coast and southern interior.

The TLA’s strength is truly in its roots. It is why we celebrate our past and your Board works hard to shape our future. Building bridges with First Nations is smart business for each individual member and the organization itself. 2008 has been a very difficult year for companies and the people who work for them and 2009 offers little encouragement. Yet for 66 years the Truck Loggers Association has adapted to meet the challenges of the day. It has been solution oriented and as a result played an important role in this important industry in BC. The Board and Executive sees both the opportunity and challenges ahead in building relationships with First Nations and will continue broaden the scope of its work, focus on its membership, and find solutions where they may not be readily apparent. The time to change is now and we cannot sit idly by. We must be ready to capture all of the benefits possible when the economy begins to improve.

Rod Visser
Aboriginal Affairs Committee Chair
INDUSTRIAL RELATIONS COMMITTEE REPORT

The goal of the Labour Relations Committee is to keep the membership informed on the latest developments and issues as they pertain to labour, employment and the TLA membership.

First, of special interest to the TLA is the relationship between our member companies and unionized labour.

Forest Industrial Relations (FIR) is an employers’ organization whose function is to represent its membership on labour relations matters. The membership of FIR is made up of various employers involved in coastal forestry including many logging contractors and TLA members.

The United Steelworkers is the Union that represents many employees on the Coast. Both organizations serve to:

(a) Negotiate a Master Agreement behalf of their members;
(b) Give guidance and assistance to its members in administering the agreement during its term;
(c) Assist in grievance procedures and legal matters;

Both FIR and the United Steelworkers are undergoing change. Both organizations could look very different in a few years. Both groups are dealing with similar issues such as shrinking membership, issues of relevance and perhaps even apathy.

It is now time for our members to think about how the industry wishes to shape the look and future of labour relations as it relates to the coastal forest industry.

Do members of the TLA wish to have input on the growth, success or cessation of FIR? Do TLA members wish to negotiate their own collective agreements with the Union? What are the implications of these decisions? These are all important questions that we must think about. I encourage all of you to ask questions and get involved.

Second, we have to give significant thought to the future of our labour force. The TLA currently sits on a committee involved with the development of an apprenticeship and training program to try to address some of the recruitment needs facing our industry. This committee is the Logging Worker Training Needs Committee.

1) In April, 2007 the Committee received the BC Forest Industry Workforce Review that had been commissioned to FP Innovations. This comprehensive report described the current state of human resources in the industry and forecast workforce requirements for the next 10 years.

2) Using the Review as a foundation, the Committee completed a Human Resource Strategy to address the shortages identified.

3) One of the ongoing skill shortages identified in the Review is Heavy Equipment Operators. In the spring of 2008 the Committee sought and received approval from the Industry Training Authority to expand the newly created Heavy Equipment Operator apprenticeship program to include logging equipment.

4) In order to assist smaller contractors and employers in the industry the Committee contracted a human resource specialist to complete a Human Resource Tool Kit. This Tool Kit is now complete and available to TLA members through the TLA website and in hard copy on request from the TLA. I encourage you to take a close look at this comprehensive document.
Next Steps

1) Through a contract with the Industry Training Authority, a consultant will be engaged shortly to create learning and assessment resources for the logging equipment portion of the HEO apprenticeship Program.

2) The Committee is seeking a contractor (either school or industry employer) to run the first pilot of the new program in early 2009.

3) A media company has been engaged by the Committee to develop promotional tools (brochures, posters, presentations, etc.) to aid in recruiting new equipment operators to the industry.

4) Once the pilot programs are complete, the training delivery will be regularized and offered as demand warrants throughout the province.

Again I encourage you all to think about the goals of the Logging Worker Training Needs Committee and get involved.

I would like to thank Dave Lewis and Colin Wong for the work and attention they both paid to the Labour Relations committee.

Respectfully,

Patrick Davidson
Labour Relations Committee Chair
TRANSPORTATION COMMITTEE REPORT

This year was a relatively quiet year for the transportation committee. It was my first year serving as chair and there were four main projects that came up.

The first was about having more highway corridors designated by the Ministry of Transportation. This is important because it will reduce the amount of paperwork, frustration and wasted time dealing with seeking approvals to move machinery. The TLA had meetings in Victoria with Minister Falcon and some of his staff. He was very interested in what we were proposing and saw the value in it. Presently we are continuing to work with them to identify some new corridors for use by the industry in the New Year.

The second major undertaking was the entire TruckSafe initiative through the BC Forest Safety Council. General safety, standard operating procedures, log book development and radio procedures were all dealt with in the transportation committee. I have communicated with MaryAnne Arcand of the BCFSC on a number of occasions and continue to discuss the program with her, offer input and relay how the program impacts TLA members.

Recently the Ministry of Forests has been seeking information on load heights for logging trucks and equipment so that they could try to work with Independent Power Producers and the BC Transmission Corporation to ensure that new transmission lines do not impact regular haul routes. This work will continue into the New Year.

A recent survey was distributed to members requesting their input into incentives that might encourage fuel savings and investment into more fuel efficient vehicles. The BCTA and the Ministry of Transportation and Infrastructure (MoT) survey was designed to gather information from BC’s trucking industry regarding current fuel efficiency practices. Results from the survey will be used by a Task Force to create strategies, policies and/or incentives to present to the government with the goal of obtaining their support and assistance in making operations in Coastal forestry more fuel efficient and environmentally friendly. As we head into an uncertain 2009, cost savings and fuel efficiency will be keys to survival and the information gathered will only help the Coastal industry.

Next year I see the transportation committee continuing to work on each of these initiatives as well as focusing on how we can provide greater input into public policy and make it more responsive to the needs of industry.

Alan Williamson
Transportation Committee Chair
NEW BUSINESS

Resolution #1

WHEREAS, The Truck Loggers Association Bylaw #2 provides the following definitions for membership:

A voting industrial member shall be

(a) Any logging operator, logging contractor, or phase contractor…in the manufacture, movement of logs, sale of wood products… and who complies with the objects of the Society, will be accepted at the discretion of the Directors;

and

(b) Who is operating in the Province of British Columbia.

(c) The word “log” shall be deemed to include polls, piling, pulpwood, shingle bolts, etc.

A non-voting associate company shall be:

(a) Any person or firm, who by a contract written or verbal, expressed or implied, is engaged in work or services allied or associated in any way with the forest industry.

(b) A society or association, whose objects are in whole or in part similar to those of the Association,

A non-voting retired member shall be:

(a) A person who has been a member in good standing with the TLA who has retired and wishes to remain a TLA member in order to maintain eligibility to the TLA sponsored benefits plan.

AND WHEREAS, the Board of Directors has deemed that there is a desire to promote and expand subscriptions to TLA affinity programs as a way of improving the long-term financial viability of the Association,

AND WHEREAS, there is an indication that there is an opportunity to allow companies that are already members in other Associations that may enter into an agreement with the TLA to access one or more of their affinity programs,

AND WHEREAS, the Board of Directors has deemed that there is a desire to ensure that new member companies that are joining the TLA only to access our affinity programs do not unduly influence the operation or lobby efforts of the Association,
THEREFORE BE IT RESOLVED, that the definition of the non-voting associate company be changed to the following:

A non-voting associate company shall be:

(a) Any person or firm, who by a contract written or verbal, expressed or implied, is engaged in work or services allied or associated in any way with the forest industry.

(b) A society or association, whose objects are in whole or in part similar to those of the Association.

(c) A member in good standing of any association that is an associate member in good standing of the TLA, that has entered into an partnership agreement with the TLA to access TLA affinity programs on behalf of their members.

Resolution #2

WHEREAS, Section 31 of the Truck Loggers Association Bylaws requires that “one or more auditors shall be appointed by the members of the Association at a general meeting. The auditor shall be a practicing professional accountant and shall not be an Industrial member of the Association”,

AND WHEREAS, at the 2006 AGM the firm of Meyers Norris Penny LLP was appointed for a period of three years ending with the 2007/08 fiscal year

AND WHEREAS in 2008 the Board of Directors solicited a Request For Proposals for audit services,

AND WHEREAS, the Board of Directors deemed the proposal provided by Meyers Norris Penny LLP (MNP) as the proposal best meeting the criteria outlined in the Request For Proposals,

THEREFORE BE IT RESOLVED, that the firm of Meyers Norris Penny LLP be appointed to carry out the audit for three years commencing with the fiscal year 2008-2009 and ending with the fiscal year 2010-2011.
ELECTION OF 2009 EXECUTIVE AND DIRECTORS

TLA nominations as recommended by the Board of Directors:

Officers to be elected for a 1-year term:
Thomas Olsen  Olsen Management Group  President
Graham Lasure  WD Moore Logging Ltd.  1st Vice President
Bill Markvoort  Probyn Log Ltd.  2nd Vice President

Past President (no election required)
Don Bendickson  BenWest Logging Ltd.

Incumbent Directors recommended for a 2-year term
Monty Hussey  Tilt Contracting Ltd.  Jacqui Beban  Frank Beban Logging Ltd.
Greg Main  Main Logging  Al Williamson  Carlyn Bulldozing Ltd.

New Directors recommended for a 2-year term
Barry Simpson  Coastland Wood Industries  Don Banasky  Falltech Logging Ltd.

Incumbent Directors with 1-year left (no election required)
Angus Allison  A.P.A Enterprises Ltd.  Rod Visser  The Pallan Group
Gord Thompson  Ironside Contracting Ltd.  Rob Russell  Russell and Lilly Ltd.
Dave Clarke  Canadian Overseas Log & Lumber

One New Director for a 1-year term
Glen Kappel  Olympic Forest Products Ltd.

Associate Non-voting Representatives (Appointed):
Blair Gourlay  SMS Equipment  Joe Forani  Wajax Industries
George Lambert  T-Mar Industries  Brian Mulvihill  Finning (Canada)
Ernie Friesen  Brandt Tractor  Dave Douglas  The Inland Group

NEXT ANNUAL GENERAL MEETING

RESOLUTION #3

WHEREAS, Section 8 of the Truck Loggers Association Bylaws require that an annual general meeting be held in January of each and every year at such hour and place as may be prescribed by the Association in general meeting, or in default, be determined by the Directors,

THEREFORE BE IT RESOLVED, that the 2009 Annual General Meeting of the Truck Loggers Association be held at 3:30 am on Tuesday, January 20th, 2010, with the location to be the Empress Hotel in Victoria, BC.