

KFS Management Updates

KFS has secured 3 separate “Firesmart” contracts one each with Municipality of North Cowichan/Cowichan Valley Regional District; Cowichan Tribes and Ditidaht FN which will employ 10-14 KFS workers for several months. We have already contacted 16 junior KFS workers and lined up specific training with the intent that they will have long-term employment but still be ready for fire season as fire fighters.

We have planting contracts with Mosaic, BC Timber Sales and 2 other clients for roughly 350,000 to 380,000 seedlings starting in February. We have manual and then chemical brushing contracts starting in March of 2022 and we will be logging approximately 3000 m³ from the community forest in April of 2022.

We are securing contracts that are profitable to KFS and will be re-negotiated new and better contract rates on large contracts with current clients such as Mosaic.

KFS is embracing a happier and more positive office work environment and overall, better communication at the office and field level leading to more respect working relationships and building self-esteem. We are empowering employees and allowing them to help make work decisions.

We harvested 3478 m³ (approximately 85 logging trucks) from our community forest and generated \$1.03M in gross revenue. We employed 2 KFS fallers and 1 KFS logging truck. The revenue from logging paid back the \$600,000 loan KFS secured in July from Cowichan Tribes and paid it back two weeks early with interest.

Khowutzun Forest Services has suffered significant losses over the last few years and between the 2019/2020 & 2020/2021 years recorded a loss of over 2.9 million. As of August 2021, the reporting was showing the 202/2022 fiscal year to be another loss in the neighborhood of 1.6 million.

□ Due to the hard work of the finance, management, and administrative teams at KFS, the company has taken a substantial turn for the better and **is currently showing a profit for the first time in over 3 years.**

- 2019-2020 FY – **loss of \$1,395,978**
- 2020-2021 FY – **loss of \$1,513,280**
- 2021-2022 FY – profit of \$204,565 (as of Jan 31st, 2022)



It has been a terrific year for firefighting projects and Silviculture, but the high degree of turn-around is due to a fantastic team catching up on invoicing, proper organization of resources, and providing consistent work for its field staff.

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