



**VERMONT
FAMILY
FORESTS®**

Annual Report 2006

Vermont Family Forests PO Box 254 Bristol, VT 05443 802-453-7728 www.familyforests.org



Note from the President

It feels good to look back and acknowledge our accomplishments over the past year. Our little non-profit—lean and efficient—has continued to meet its mission with creative collaborations of landowners, professionals, and other organizations committed to ecological forestry. Through our varied programming and demonstration projects, we have engaged many individuals and groups in an exploration of the forests' role in our community.

While we primarily serve individuals, we are also proud of the work done this year with several organizations in our state who are influential in the future of forest conservation. We lent our founder to the University of Vermont's Rubenstein School of Environment and Natural Resources; we began a cross-discipline collaboration with the Green Mountain Club; we worked with the Girl Scouts of Vermont as they explored sustainable forestry; and we deepened our partnership with the Vermont Land Trust. We continued to support the work of the Colby Hill Ecological Project, the New Haven River

Headwaters Conservation Project, and the International Society of Ethnobiology—all sister groups with strong connections to Vermont Family Forests.

We made substantial progress this year in our efforts to make this sustainability organization sustainable itself. We broadened our base of primary support through many individual donations, and we were successful in securing grants to fund our project work.

And, in a dramatic display of support, we received a gift that established a perpetual foundation for Vermont Family Forests. This most generous donation will be managed by the Vermont Community Foundation and will provide cash each year for our basic needs. Like a healthy forest, this gift will help sustain us and give back to us as we do our work year after year. Please consider honoring this donation with a donation of your own. Thank you.

Paul

Highlights from FY 2006

All Vermont Family Forests activities build upon our belief that the three great conservers of forest health are well-informed stewards, sound economic returns from ecological forestry, and a community-shared land ethic.

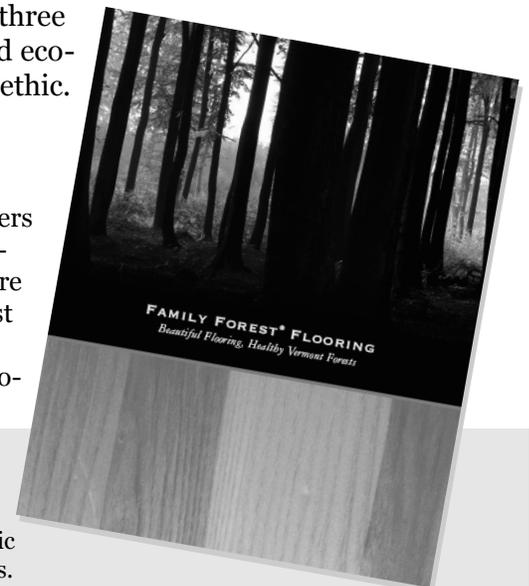
Family Forest® Flooring Debut

How can we help landowners practice ecological forest management? That's one of the questions that guides our work at Vermont Family Forests. One way is to develop markets that offer sound economic returns for their efforts. So, in FY2006, we launched the Family Forest® flooring line, linking wood from VFF-certified forests with customers who care about local forest health.

In collaboration with the Vermont Land Trust, Vermont Family Forests began

working with small woodlot owners to produce Family Forest® hardwood strip flooring—sending more value back to the forest and forest stewards, and helping keep local forests healthy, beautiful, and productive.

Vermont Family Forests relies on strong, collaborative efforts, like our partnership with Vermont Land Trust, to address the economic constraints faced by forest stewards.



More Highlights from FY2006

Our mission? To conserve the health of the forest community, and, when appropriate, to promote the careful cultivation of local family forests for community benefit. We accomplish this through **public education, research and demonstration projects, and certified ecoforestry.**

Envisioning sustainability...

As oil prices soar and supply peaks, more and more individuals and businesses are turning to Vermont's forests to meet their energy needs. In FY2006, we received grants to promote the sustainable production, efficient use, and socially responsible distribution of local wood fuel.

... and permanence

Through the **New Haven River Headwaters Conservation Project** we spread the word to Lincoln landowners about conservation easements as a tool for long-term land conservation and about the advantages of collaboration among landowners in pursuing easements.



In FY2006, Vermont Family Forests staff enlisted the help of Middlebury College students to identify opportunities and constraints facing firewood customers and providers through a community survey, the first step toward launching the Community-Supported Forestry™ Firewood Project.

Certifying ecological forestry

One of the forests that initiated certification through Vermont Family Forests in FY2006 was **Camp Wapanacki**, in Hardwick, Vermont. Motivated by a desire to integrate sustainable forestry into camp life, the **Girl Scouts of Vermont** certified their 300-acre summer camp and hosted a workshop for their counselors-in-training to give them hands-on experience in sustainable forestry.



From Forest to Paddle

How to instill a sense of place and empower young women to engage with the forests around them? Immerse them in sustainable forestry—measuring forest health, hauling logs to a portable mill, carrying milled boards back to camp, and learning how to hand-carve a canoe paddle.



Promoting equitable access

One of the highlights of FY2006 occurred just as the fiscal year neared its close—we received word that the IRS had approved the tax-exempt status of the **Community Forests Project**. This allows the sale of shares in the 110-acre Little Hogback Community Forest to proceed. Returns from a timber sale on the property during FY2006 will help future shareholders pay for land management and taxes on the property.

Plans for FY2007

Wood energy will figure prominently in our work in FY2007. We're in the midst of planning the **Local Energy Conservation Congress**, which we'll host in Bristol in March, 2007. We'll be offering **wood energy workshops**, exploring sustainable production, efficient use, and socially responsible distribution of local fuel wood, and we'll be launching the **Community Supported Forestry™ Firewood Project**.

FY2007 will mark our seventh year of hosting **Game of Logging** training workshops, part our commitment to improving the safety and efficiency of chainsaw users. We'll also continue to encourage community celebrations of and in the forest—join us around the Maypole during our annual **Beltane Community Forest Festival**. During the coming year, we'll continue to refine and expand our **Family Forest® flooring project** and will forge ahead on the **Little Hogback Community Forest Project**. As always, you can stay informed of or participate in these exciting projects by visiting our website, www.familyforests.org or contacting us (453-7728 or info@familyforests.org.)

Organizational Development

Strengthening Our Three-Legged Stool

Vermont Family Forests exists to promote local forest health. This year saw tremendous improvements in our organization's *financial* health, broadening our support base in ways that will help us carry out our work for years to come.

Sustainable non-profit organizations rely on a three-legged stool of finances, built upon individual donations, grants, and endowment funds. Of the three revenue sources, endowment funds are the most difficult to generate. An endowment is money that the organization invests, rather than spending outright, and this investment generates annual income, usually about 5% of the total endowment.

Until this year, Vermont Family Forests has relied heavily on grant funds to cover both program and operating costs. That's a dicey situation—grantors prefer to fund programs, rather than operating costs, and yet general operating funds are critical to keeping the organization up and running.

This year, our dream of establishing an endowment to help meet our general operating expenses became a reality. Through the remarkable generosity of an anonymous donor, a \$400,000 endowment has been established for Vermont Family Forests. Vermont Community Foundation is managing the fund, which will

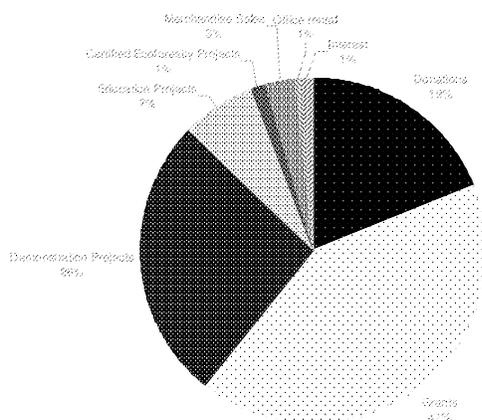
generate approximately \$20,000 for the organization annually.

By supporting Vermont Family Forests in perpetuity, the donor gave VFF not only a major financial boost, but also a tremendous vote of confidence in our mission and organizational vision. We are both humbled by the gift and energized to build upon it to ensure that Vermont Family Forests, like the healthy forests we champion, will continue to thrive.

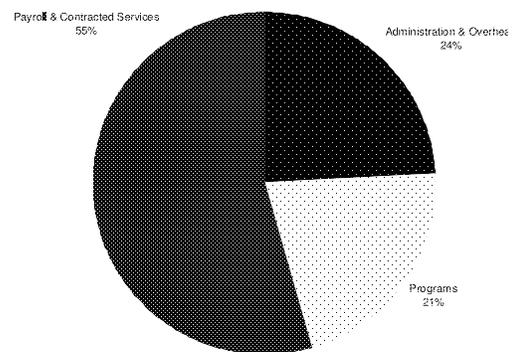
Individual Contributors: Our Organizational Cornerstone

In FY2006, individuals contributed \$30,265 to Vermont Family Forests, accounting for nearly 20% of the organization's income. Eighty percent of these donations were \$100 or less. We can't overstate the importance of these generous individual gifts. Not only do they ensure that we can carry out the programs we envision—from forest certification to sustainable wood energy production—they also help build the strong community network that makes Vermont Family Forests the place-based, face-based organization that it is.

FY 2006 Income		FY 2006 Expenses	
Donations	\$30,265	Administration & Overhead	\$34,980
Grants	\$67,297	Programs	\$31,212
Demonstration Projects	\$41,988	Payroll & Contracted Services	\$79,906
Education Projects	\$11,425		
Certified Ecoforestry Projects	\$1,880		
Merchandise Sales	\$4,447		
Office rental	\$1,000		
Interest	\$1,818		
Total Income	\$160,120	Total Expenses	\$146,098



FY 2006 Income



FY 2006 Expenses

VERMONT FAMILY FORESTS™

Vermont Family Forests™ is a non-profit education organization whose mission is to conserve the health of the forest community and, when appropriate, to promote the careful cultivation of local family forests for community benefit.

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Beltane Community Forest Festival 2006

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Foundation and Public Agency Donors

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Colby Hill Fund
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VT Urban & Community Forestry Program

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The Watershed Center
Vermont Land Trust