

COAST OPPORTUNITY FUNDS ANNUAL REPORT 2013



Coast Economic
Development Society
and
Coast Conservation
Endowment Fund
Foundation

weaving together the threads of conservation and community well-being

VISION

Participating First Nations enjoy sustainable community prosperity while maintaining the integrity of the coastal ecosystems of the Central Coast, North Coast and Haida Gwaii areas of coastal British Columbia.

MISSION

To assist Participating First Nations in achieving their goals for sustainable economic development and conservation management.

COAST ECONOMIC DEVELOPMENT SOCIETY (CEDS)

COAST CONSERVATION ENDOWMENT FUND
FOUNDATION (CCEFF)

TABLE OF CONTENTS

3	Message from the Chair
4	About Us: Coast Opportunity Funds
5	Structure of the Funds
8	Awards from October 2008 to December 31 2013 by Sector
9	2013 Goals and Outcomes
13	2013 CEDS Awards
16	2013 CCEFF Awards
19	Board of Directors
21	Members
22	Staff
23	Governance, Finance and Administration
24	2014–2016 Strategic Plan
26	Economic Development Project Evaluations
27	Communications
28	2013 Financial Performance
32	2013 CEDS Financial Statements
33	2013 CCEFF Financial Statements
34	Map

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LOOKING BACK, LOOKING FORWARD: MESSAGE FROM THE CHAIR

I am pleased to present our 2013 Annual Report on awards and project activities, operations and financial performance by Coast Opportunity Funds.

This was our sixth full year of operations, a good time to reflect on our achievements and what we have learned as an organization over that time about the challenges and opportunities facing us and the Participating First Nations as we work together.

In fall 2013, as part of the development of our new Strategic Plan for 2014–2016, the Board and staff of Coast Funds took an in-depth look at the last six years and rolled up our sleeves to set a clear course for the next three years. The trends and themes we've observed and some highlights of our vision going forward are summarized on page 24 of this Annual Report.

In 2013, five Board members stepped down over the course of the year: Cindy Boyko and Paul Richardson completed their terms of office, and Merran Smith, Barry Stuart and Merle Alexander also moved on to focus their efforts on other work. I would like to take this opportunity to thank all of them for their dedication in support of the work and vision of Coast Funds, and to welcome the Board members who joined us in 2013: Percy Crosby, Darcy Dobell, Garth Davis, Wally Eamer and Gerald Wesley. You can read about the new Directors on page 19.



Merv Child, Chair

Coast Economic Development Society

Coast Conservation Endowment
Fund Foundation

April 2014



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ABOUT US: COAST OPPORTUNITY FUNDS

Coast Opportunity Funds is a unique organization born in 2007 out of mutual recognition by conservationists, First Nations governments, resource industries and governments alike that a sustainable economy for First Nations is vital to conservation efforts in the Central Coast, North Coast and Haida Gwaii areas of the Great Bear Rainforest of coastal British Columbia.

Those First Nations are the K'ómoks (Comox), Council of the Haida Nation (Haida Gwaii), Da'naxda'xw Awaetlala (Knight Inlet), Dzawada'enuxw (Kingcome Inlet) Gitanyow (Kitwanga River), Gitga'at (Hartley Bay), Gitxaala (Kitkatla), Gwa'sala-Nakwaxda'xw (Port Hardy), Gwawaenuk (Hopetown/Watson Island), Haisla (Kitamaat), Heiltsuk (Bella Bella), Xwémalhkwu (Bute Inlet), Kitasoo/Xaixais (Klemtu), Kitselas (Terrace), Kwiakah (Philips Arm/Frederick Arm), Kwikwasut'inuxw Haxwa'mis (Gilford Island), Lax Kw'alaams (Port Simpson), Mamalilikulla-Qwe'Qwa'Sot'Em (Village Island and Compton Island), Metlakatla (Prince Rupert), 'Namgis (Alert Bay and Cormorant Island), Nisga'a Nation (Nass Valley), Nuxalk (Bella Coola), Tlowitsis (Johnstone Strait), Ulkatcho (Anahim Lake), We Wai Kai (Cape Mudge), Wei Wai Kum (Campbell River) and Wui'kinuxv (Rivers Inlet).

WHY IS THIS SO IMPORTANT?

First Nations communities have cared for and depended on their traditional territories within this region for their cultural, social and economic wellbeing since time immemorial. The region also has compelling conservation values. The Great Bear Rainforest is a magnificent old growth forest ecosystem representing one-quarter of the world's remaining coastal temperate rainforest, and supporting wild Pacific salmon, grizzly bears, wolves and the white Kermode or "spirit" bear among many other species.



"The creation of Coast Opportunity Funds was an enormously exciting moment," says former Board member Merran Smith. "Everyone loved the vision—it was a completely different approach that was nothing like the traditional outcomes of conflict resolution, which are win/lose, or else divide up the assets so everyone gets a little piece of them. Neither of those outcomes was viable in this situation, which is why we came up with this new model." Smith describes the difference this way: "We moved beyond the limited vision of simply trying to find the balance between conservation of the environment and enough jobs for the communities, to creating a space for both to co-exist without compromise. With Coast Funds, the First Nations are investing in job creation hand-in-hand with conservation efforts. It's a very creative solution, and it shows that you can move from conflict to harmony if everyone pools their ideas."

"A DIFFERENT APPROACH: THE STORY BEHIND COAST FUNDS," THE TALKING STICK, JANUARY 2012

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The key to a durable and healthy environment in the Great Bear Rainforest is the maintenance of the link between the environment, the First Nations of the Great Bear Rainforest, and supporting a sustainable economy and healthy communities. The way in which First Nations manage and control the environment and the economy of the region will determine not only their own future, but the future of the Great Bear Rainforest as a whole.

Coast Opportunity Funds was created to make the vital connection between sustainable development projects that embrace conservation values; the social, cultural and economic wellbeing of the First Nations communities; and long-term conservation of the region. Designed as a global model of what conservation must become—an inherent part of healthy economies, environments and cultures—our funds are dedicated to empowering the First Nations in the Central and North Coasts and Haida Gwaii in achieving healthy and vibrant economies and communities in tandem with the conservation of their homelands for the benefit of future generations.

STRUCTURE OF THE FUNDS

Coast Funds is comprised of two separate organizations, namely the Coast Economic Development Society (CEDS) and the Coast Conservation Endowment Fund Foundation (CCEFF). These organizations are managed by boards comprised of the same group of individuals with a broad range of relevant expertise and First Nations representation. This was by design to ensure critical partnering and strategic leveraging of conservation management with economic development initiatives, to be implemented through the leadership of First Nation communities.



“I see a real sense of ownership and pride in the people responsible for the creation of Coast Opportunity Funds,” says Ross McMillan (Tides Canada). “There were so many people coming at the task from a whole range of different perspectives—the First Nations communities and regional groups, environmental groups, industry, governments. But everyone really did share the vision that conservation activities and economic activity were two essential parts of a whole. Even though two separate funds were created, one for conservation management funded by the philanthropic organizations and one for economic development funded by governments, all the investors were always committed to the notion that it is the combination of both funds that is fundamental for success. It was Coast Funds as a whole that we all focused on.”

“A SHARED VISION: THE STORY BEHIND COAST FUNDS,” THE TALKING STICK, JANUARY 2012

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CEDS is a not-for-profit corporation responsible for managing two time-limited funds, a \$2.0 million regional economic development planning fund and a \$58.0 million economic development fund, supporting First Nation communities and businesses. The capital in this fund is being invested in job creation and business development initiatives, targeting economic sectors identified as having good potential for sustainable development in the region.

CCEFF is a registered Canadian charity responsible for managing a \$2.0 million regional conservation planning fund and a permanent endowment fund of \$55.8 million. The income generated from this fund provides ongoing funding to First Nations to support conservation science, resource planning, capacity development and related conservation management activities. Specific dollar amounts are allocated annually to each participating First Nation for eligible projects on the basis of each First Nation's original funding allocation and the performance of the fund.

While CEDS and CCEFF each have some unique goals as regards their respective mandates, their vision, mission and work are integrally linked. In general therefore the work of CEDS and CCEFF is undertaken jointly under the banner of Coast Opportunity Funds, or less formally, Coast Funds.

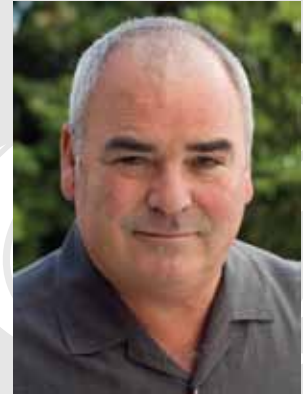
WHAT WE DO

Mutually respectful relationship We endeavour to provide the highest level of support to the Participating First Nations through a mutually respectful relationship.

Due Diligence Coast Funds makes responsible, objective and business-based decisions, partnering with Participating First Nations to develop successful applications and to fund sound, high quality projects.

Support for capacity strengthening Coast Funds supports Participating First Nations as they strengthen their capacity and develop relationships with other agencies, financial institutions and potential partners to leverage additional resources, increase the opportunities for success and maximize the impact of Coast Funds' investments.

Responsible stewardship of funds Integral to all Coast Funds' work is the responsible administration and investment of the funds entrusted to it by private funders and the governments of British Columbia and Canada for the purposes set out in our governing documents.



"Leaders in the forestry industry supported the concept behind Coast Opportunity Funds," says forestry consultant Patrick

Armstrong, "because the concept was sound.

There was a solid business case for it. It really made

sense. It still does. Not

only would First Nations communities in the Great

Bear Rainforest benefit, but you could also see the long term regional advantages.

Healthy, economically stable communities enhance the

business investment climate in any region. That's good

for everyone in the business community."

"THE BUSINESS CASE: THE STORY BEHIND COAST FUNDS," THE TALKING STICK, JANUARY 2012

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CORE VALUES

Coast Funds adheres to the following core values to guide its operations:

Integrity

Consistency

Collaboration and inclusiveness

Transparency and accountability and

Respect for First Nations' history, land use rights, and decision-making authority



“When we were discussing how to design the structure of the organization, everyone shared a common goal that we did not want to create a program or something that looked like a government bureaucracy handling these funds. This money was invested exclusively for the use of the First Nations, the first time anything had been created like this here. Everyone involved agreed on strict accountability requirements in how the funds were to be utilized, but we also knew that we would need flexibility and a different approach,” says Chair Merv Child. “Coast Funds needed to be an organization that works with the First Nations we serve as a partner that supports the realization of their goals and dreams for conservation and sustainable economic development, and I think that’s what we’ve achieved.”

“A UNIQUE CREATION: THE STORY BEHIND COAST FUNDS,” THE TALKING STICK, JANUARY 2012

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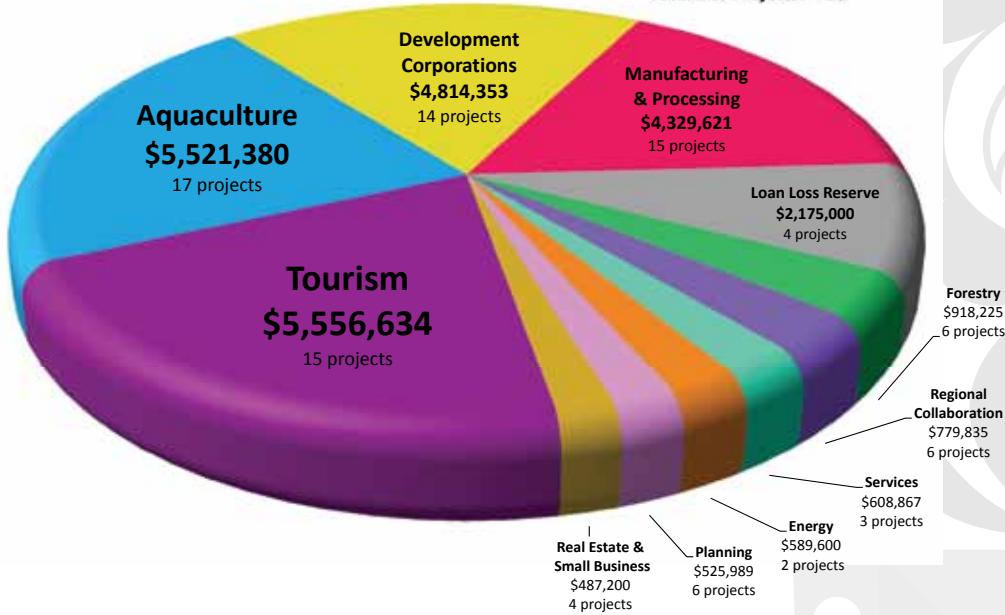
**AWARDS FROM OCTOBER 2008 TO DECEMBER 31 2013
BY SECTOR**



Sectors

Coast Economic Development Society (CEDS)
as of December 31, 2013

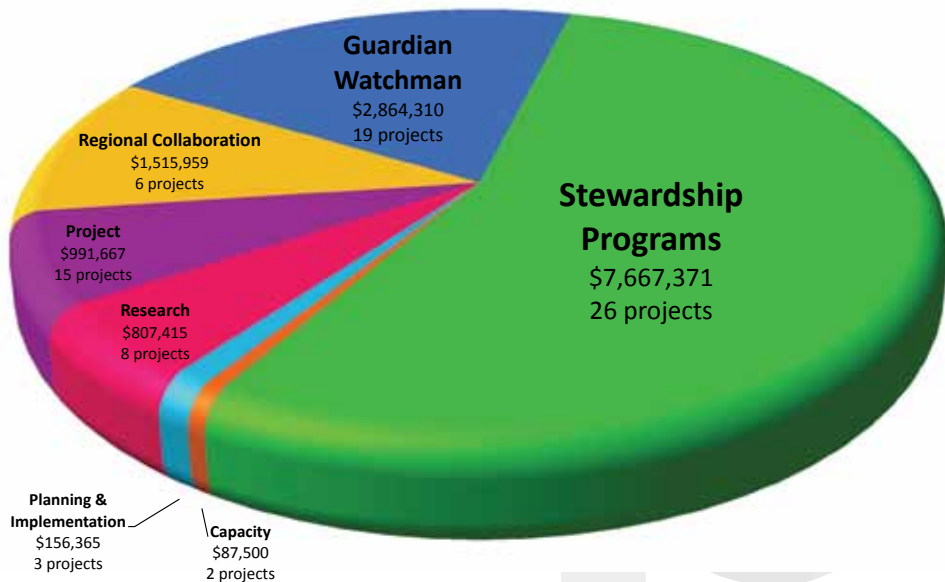
Total CEDS Awards: \$26,306,704
Total # of Projects: 92



Sectors

Coast Conservation Endowment Fund Foundation (CCEFF)
as of December 31, 2013

Total CCEFF Awards: \$14,090,587
Total # of Projects: 79



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2013 GOALS AND OUTCOMES

AWARDS

Summaries of awards approved in 2013 are set out on pages 13-18.

CEDS

With completion of the CEDS term by June 2017 in mind, in 2013 CEDS set an optimal target of approving awards of \$21.0–\$24.0 million over the 2013–2015 planning period. In 2013, CEDS made fifteen awards totalling \$4.4 million. Participating First Nations are using those funds to leverage over \$15.0 million in additional funding to the region for economic development projects.

The key economic sectors of interest to Participating First Nations in 2013 were aquaculture (\$1.8 million), start-up and commercialization of development corporations (\$1.2 million), and manufacturing (\$1.0 million). Additionally, First Nations invested in tourism (\$0.3 million) and telecommunications (\$0.1 million) projects in 2013.



Early Results: In May 2009 Metlakatla invested part of its economic development allocation in the design and construction of the world's largest North Coast First Nation traditional-style Tsimshian canoe. For Metlakatla, this was not just about using a Coast Funds award to invest in a sustainable business, but for the right sustainable business, done the right way.

THE TALKING STICK,
SEPTEMBER 2011

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In 2013, CEDS' significant investment in aquaculture was principally as a result of a major \$1.5 million award to Metlakatla Development Corporation. This award enabled Metlakatla to take a majority interest in Coastal Shellfish Corporation, investing in a 194-acre sustainably managed scallop aquaculture farm in Metlakatla's territory, and was strategically used by Metlakatla to leverage \$7.8 million in additional new investment to the region for the project.

Additionally, Lax Kw'alaams utilized a \$0.3 million award to leverage \$5.5 million in bank financing and working capital for the startup of Coast Tsimshian Fish Plant Ltd. This project upgraded the facility in Port Simpson with state of the art freezing and processing equipment. The fish plant is the community's major employer, with up to 75 out of 140 positions held by Lax Kw'alaams members during the peak operating season. This increase in local employment has resulted in spin-off entrepreneurial initiatives in the community to serve both the fish plant and Lax Kw'alaams residents, including a bicycle courier enterprise, a hairdressing operation and a pizza business, among others.

CCEFF

In 2013, CCEFF allocated an additional \$5.5 million (for a total allocation since 2008 of \$19.3 million) and awarded \$3.2 million to 16 projects. Its goal for 2013 was to award \$4.0 million. Participating First Nations continued to request funds for core support for integrated resource management offices while at the same time increasing their investment in research and monitoring as well as youth and culture camps.

PROJECT DEVELOPMENT AND APPROVALS

Through continued proactive and focussed communication and interaction with First Nations, staff provided advice and mentorship to:

- Generate inquiries for eligible economic development projects leading to sound, high quality applications geared for success, with minimal risk of non-compliance with goals of Coast Funds. Twenty-three inquiries and applications were received.
- Develop plans with each First Nation and regional body detailing the proposed use of their conservation allocation over time, with a resulting increase in numbers of high quality applications. Two-thirds of the Nations communicated their intended use of their allocations, and just over half of the Nations submitted applications in 2013.

CAPACITY AND RELATIONSHIP STRENGTHENING

In 2013, CEDS continued to work closely with Participating First Nations to achieve unique solutions to common capacity-related challenges for economic development projects on the coast. An emphasis of this work is to support Participating First Nations as they identify potential economic development projects through to the development of business plans. CEDS has a mandate to fund sustainable economic development projects that have a comprehensive and viable business plan. The development of a business plan can present the following challenges for Participating First Nations and for CEDS administration:

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Building Alliances: The Coastal Guardian Watchmen Network was created in 2005 by the Great Bear Initiative Society, an alliance of coastal First Nations on British Columbia's north and central coast and Haida Gwaii. First Nations Guardians are the eyes and ears of the First Nations in their territories, observing and monitoring natural resources and their use.

THE TALKING STICK, SEPTEMBER 2011

- 1 The development of a viable business plan requires upfront resources (funding, knowledge and expertise, proposal writing), which are often limited.
- 2 The development of a comprehensive business plan requires a detailed analysis of the scope and scale of a project as well as a detailed assessment of the resources required and available to implement a project.
- 3 The immediate and long-term success of a project requires implementation support, the transfer of knowledge, and the development of skills within the community (or organization) in order to establish sustained core competency within the business.

In particular, three nations (Gitga'at, Heiltsuk, Nuxalk) worked closely with CEDS staff and consultants in 2013 to develop comprehensive business plans in order to create eligible funding applications. This work is supported by small grants that position these nations to advance their unique economic development initiatives that can then be funded via a CEDS project award.

Additionally, CEDS collaborated with a number of educational institutions in 2013, including UBC's Sauder School of Business ISIS Research Centre, SFU's Beedie School of Business, UVic's Peter B. Gustavson School of Business, and Vancouver Island University. This work with academic partners is to identify new approaches to economic development capacity building including short- and long-term training opportunities focused on entrepreneurship, tourism/hospitality, financial management, and general business.

Building Capacity: Since 2009, the Heiltsuk Tribal Council has utilized its Coast Fund conservation allocation each year to support the creation and operation of the Heiltsuk Integrated Resource Management Department. Chief Councillor Marilyn Slett believes this kind of institutional capacity development is vital for communities to realize their goals for land and resource management in their territories.

"These lands and waters run through our veins here, and how their protection and use is managed is incredibly vital to us and our future generations."

"BUILDING BLOCKS," THE TALKING STICK, OCTOBER 2012

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A key result from CEDS partnerships with academic institutions in 2013 was the delivery of a detailed case study for the Heiltsuk Economic Development Corporation (HEDC). HEDC commissioned a graduate student from Simon Fraser University's Executive MBA in Aboriginal Business and Leadership to undertake this study and to deliver a comprehensive report to the nation. This case study continues to inform the Heiltsuk's economic development planning, governance, and operations.

CCEFF continued to support stewardship leaders as they work to access and adopt solutions to the challenges preventing them from achieving their goals and partnered with regional groups to support the quarterly gathering of stewardship leaders as well as the annual gathering of stewardship staff.

CCEFF also focused particular effort on financial management, hosting two stewardship-specific trainings attended by forty people and drafting financial templates. Internal resources were devoted to capturing and sharing solutions in ways not dependent on face-to-face exchanges, including advising the development of the recent re-launch of the First Nations in BC Portal.



The Youth are the Future: In 2012, the Council of the Haida Nation (CHN) used part of its CCEFF allocation to help fund its summer culture camps (the Swan Bay Rediscovery Camp in the South and the T'aalan Stl'ang Youth Camp in the North).

The stewardship program incorporates Haida cultural values and traditional knowledge. "In keeping with this objective, says Secretariat of the Haida Nation administrator May Russ, "students also learn the value of preserving and perpetuating Haida culture, tradition and skills and of building a foundation of physical, mental, emotional health for self and the island community."

**HAIDA YOUTH CAMPS, THE TALKING STICK,
JANUARY 2013**

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2013 CEDS AWARDS TOTAL CEDS AWARDS APPROVED IN 2013 AMOUNTED TO \$4,418,642.

COUNCIL OF THE HAIDA NATION

- Economic Development Framework for the Haida Nation, \$50,000**
 Funding provided support for Council of the Haida Nation, Skidegate Band Council and Old Massett Village Council to establish intergovernmental economic development protocols for the Haida Nation.
- Haida Wild Seafood Processing Plant Expansion, \$400,000**
 Funding provided to Haida Enterprise Corporation for investment in commercial processing capacity and construct a new smokehouse at the Haida Wild Seafoods facility in Masset.
- Haida Enterprise Corporation – 2013 Operations, \$650,000**
 Provision of operating capital for fiscal year 2013/2014 to support core operations of Haida Enterprise Corporation and its subsidiaries, including implementation of ongoing capacity development, sustainability certification for Haida tourism operations, and expanding existing businesses on Haida Gwaii.

GREAT BEAR INITIATIVE SOCIETY

- Non-Timber Forest Product Development – Phase 4, \$61,484**
 Funding provided to assist Great Bear Initiative Society members, Metlakatla and Heiltsuk First Nations, to start-up conifer essential oil manufacturing operations.

HAISLA BUSINESS OPERATIONS

- Telecommunications Infrastructure, \$110,129**
 Funding provided to enable Haisla Business Operations to deliver high speed wireless network services to Haisla members and businesses in Kitamaat Village.

HEILTSUK ECONOMIC DEVELOPMENT CORPORATION

- Heiltsuk Economic Development Corporation – 2013 Operations, \$168,500**
 Heiltsuk First Nation utilized part of its allocation to provide operating capital for six months of fiscal year 2013/14 for the core operations of Heiltsuk Economic Development Corporation.



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HEILTSUK TRIBAL COUNCIL

- **Commercial Fisheries Business Retention and Expansion Pilot, \$149,920**
Funding provided to initiate a business retention and expansion pilot project with central coast commercial fishing operators.

K'OMOKS

- **Food Safety Training for Salish Seafoods LP, \$2,685**
In 2012 K'omoks First Nation utilized a portion of their allocation to acquire a federally licensed seafood processing facility in Comox, on Vancouver Island. As a follow up to this award, funding was awarded for training in Hazard Analysis Critical Control Point (HACCP) for the Quality Management Program director.

LAX KW'ALAAMS

- **Start-up Financing for Coast Tsimshian Fish Plant Ltd., \$250,000**
In 2012 Lax Kw'alaams restarted operations of the community fish plant, Coast Tsimshian Fish Plant Ltd. The plant has generated full-time employment for 140 people during the peak season (15 June–15 September) and 40 people through the remaining months (10 months per year), with a significant and positive impact on the community. This award facilitated access to working capital enabling Lax Kw'alaams to secure significant bank financing for the project.

MAMALILIKULLA-QWE'QWA'SOT'EM

- **Adventures Village Island, \$170,000**
Building tourism infrastructure in Mamalilikulla Qwe'Qwa'Sot'Em First Nation's traditional territory will support its economic development efforts. Funding will be invested in additional cabin infrastructure on Adventures Village Island and will establish a governance structure for the ecotourism business.

METLAKATLA DEVELOPMENT CORPORATION

- **Investment in Coastal Shellfish Corporation, \$1.5 million**
Funding has been awarded to enable Metlakatla to take a majority interest in Coastal Shellfish Corporation and Limited Partnership as part of a restructuring that will consolidate scallop hatchery and farm operations within a single, integrated business model. Funds will be directed in 2014 to capital investment in farm site infrastructure and for working capital.

METLAKATLA FIRST NATION

- **Metlakatla Wilderness Trail, \$148,302**
This award provided funding for the operation and maintenance of the Metlakatla Wilderness Trail. This infrastructure has been developed as a platform for new



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entrepreneurial business opportunities enabled by the increased ecotourism visitor traffic to Metlakatla Village.

- **Commercial-scale pilot of Conifer Oil Manufacturing, \$108,285**

Funding provided to support the installation of 100 gallon conifer oil distillation system at Grassy Bay, seasonality testing for five conifer species, and training for both non-timber forest product harvesters and manufacturing operators.

NUXALK DEVELOPMENT CORPORATION

- **Nuxalk Development Corporation – 2014 Operations, \$333,337**

The Nuxalk Nation and its Nuxalk Development Corporation (NDC) have recently finalized a five year economic development strategy (for the Nation) as well as a three year corporate business plan (for NDC). This funding will provide support for NDC operations through the first six months of 2014. Priority objectives including undertaking agrifood, commercial fishing, and tourism feasibility studies for new business initiatives and research into value-added forestry initiatives will be completed under this project.

TLOWITSIS

- **Acquisition of Happy As A Clam Ltd., \$316,000**

Funding provided to acquire the lease for a shellfish business, Happy as a Clam Ltd. and consolidate operations with Chief's Pride Aquaculture Corp.



Pride in Results: In 2010, Kitsoo/Xaixais decided to use \$727,000 of their Coast Funds allocation, combined with \$250,000 from the Coast Sustainability Trust and \$100,000 of Kitsoo Development Corporation funds, to invest in building an additional six rooms in Spirit Bear Lodge in Klemtu and purchase another vessel. "The impact of our expansion was immediate," says manager Tim McGrady. "We increased revenues 250% in the first year and 100% again the next year. There's no looking back." In 2012, the majority of the trained professional staff serving the lodge and guided tours came from the Kitsoo/Xaixais community. A program to train youth and provide local employment opportunities to high school graduates was in place. The Great Room in the Lodge is put to frequent use for cultural events, and visitors relish the chance to learn more about Kitsoo/Xaixais traditions and ways of life. Former Chief Doug Neasloss says: "There is visible pride in the results that have been achieved."

"PERSEVERANCE, PROFITS AND PRIDE," THE TALKING STICK, JULY 2012

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2013 CCEFF AWARDS TOTAL CCEFF AWARDS APPROVED IN 2013 AMOUNTED TO \$3,179,225.

CAMPBELL RIVER (WEI WAI KUM)

- **Youth/Elder culture and language camps, \$8,650**
Expansion of Laich-Kwil-Tach Treaty Society's Youth/Elder Culture and Language Camps to 3 one-week sessions for the summer of 2013. This was a combined project with We Wai Kai and Kwiakah.

COUNCIL OF THE HAIDA NATION

- **Youth rediscovery camps, \$60,000**
The goals of this award included increased coordination and expansion of the stewardship activities at Haida's two youth camps (the Swan Bay Rediscovery Camp and the T'aalan Stl'ang Youth Camp) and improve the integration of these programs with two government-sponsored career exploration initiatives (Haida Gwaii Youth Stewardship Program and Federal Student Work Experience Program).

GBIS MEMBERS

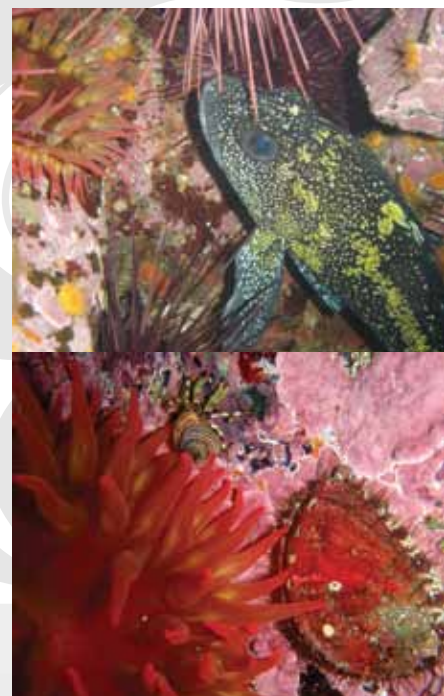
- **Member capacity support, \$79,500**
Funding provided to assist Heiltsuk First Nation education, training, and capacity building with the objective of engaging a coordinator and preparation of an education and training plan that will inform the development of a regional workforce development strategy.

GITGA'AT

- **Guardian program, \$393,000**
Funding utilized to complete three conservancy management plans; conduct research to increase baseline knowledge of resources and values of territory; increase human resource capacity by hiring additional technicians and training staff; and engage with those interested in Gitga'at's territory, including responding effectively to referrals and engaging in environmental assessments.

GWA'SALA-'NAKWAXDA'XW

- **Stewardship program 2013, \$225,000**
Provision of core support to the stewardship program, with the objectives of undertaking the 2013 field season of the program, including continuing to expand the skill sets of the crew as well as to run the Junior Stewardship/Guardianship program to provide training and experience for students.



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HAISLA NATION COUNCIL

- **Coastal resource management activities, \$262,822**
Funding provided support for management activities including establishing a baseline of high-resolution aerial imagery of their coastline, starting a long-term coastal monitoring system, and carrying out select fisheries management projects.

HEILTSUK TRIBAL COUNCIL

- **Heiltsuk Integrated Resource Management Department (HIRMD) FY2013/2014, \$578,000**
Launched in 2009, HIRMD is responsible for protecting and managing the lands, seas, freshwater and the related cultural and natural resources of the Heiltsuk First Nation's territory. The 2013 award was utilized for core operating and maintenance expenses for HIRMD as well as for select land, marine, and culture and heritage projects.
- **Heiltsuk Integrated Resource Management Department Q3 and Q4, FY2013/2014, \$509,501**
Additional core operating funding for HIRMD, with the objectives of continuing to implement Heiltsuk's Reconciliation Protocol Agreement with the Provincial Government and to revise the work plan to align with the recently completed strategic plan.

KITASOO BAND COUNCIL

- **Kitasoo Resource Stewardship Program, \$115,285**
Funding for program activities including installing referral tracking system, training staff, conducting bear research, and completing conservancy management plans.
- **Kitasoo/Xaixais Watchman Program, \$306,167**
Provision of core support to the Kitasoo/Xaixais Watchman Program with the objective of maintaining Watchman crew that monitor the traditional territory.

For Future Generations: In 2009 Campbell River Band decided to use its Coast Funds conservation fund allocation, a secure committed source of annual funding, to support the creation of a complete and consistent record of all salmon runs on Heydon Creek right through to the 2013 season. "Campbell River Band wants to ensure that our future generations have fish for food and ceremonial purposes," says Campbell River Indian Band Councillor Tony Roberts Jr. "Our salmon enumeration activity on Heydon Creek is a vital part of that." Roberts adds: "One of our key goals has also been to build capacity within the First

Nation in fisheries management. We would like to see our youth take an interest in fish management and production. Ultimately, we hope we will see more of our youth work towards becoming fisheries biologists as well. After all, this is all about our future generations."

**THE TALKING STICK,
JANUARY 2012**



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KWIAKAH

- **Youth/Elder culture and language camps, \$2,000**

Expansion of Laich-Kwil-Tach Treaty Society’s Youth/Elder Culture and Language Camps to 3 one-week sessions for the summer of 2013. This was a combined project with Campbell River (We Wai Kum), and We Wai Kai.

LAX KW’ALAAMS

- **Environmental assessment capacity and research, \$240,000**

Funds were provided to increase Lax Kw’alaams capacity to effectively engage in the environmental assessment of industrial projects and to continue research that will establish baseline social, ecological and cultural data.

NUXALK

- **Integrated Resource Office 2013–2014, \$210,000**

The Nuxalk Nation are focusing on four core areas of work for the Nuxalk Integrated Resource Management Office: Lands, Water, Air, and Nuxalkmc (human well-being).

WE WAI KAI NATION

- **Youth/Elder culture and language camps, \$8,650**

Expansion of Laich-Kwil-Tach Treaty Society’s Youth/Elder Culture and Language Camps to 3 one-week sessions for the summer of 2013. This was a combined project with Kwiakah and Campbell River (We Wai Kum).

WUI’KINUXV

- **Financial management training costs \$8,000**

Funding provided to cover the cost of travel for ten staff and leaders to participate in a financial management training workshop sponsored by Coast Funds.

- **Core operations, \$172,650**

Supporting core operational expense for Wui’kinuxv’s stewardship office, FY 2013/2014. Objectives include continuing to develop a well-run and effective Stewardship Committee, completing review of human resource policies and procedures, maintaining Guardian Watchmen activities and developing a Strategic Plan.



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BOARD OF DIRECTORS

The two funds are run by separate societies who share a common board of directors. The board manages the affairs of the organization and reports to the members.

Sage Baker is the founder and Chief Executive Officer of Q5 Innovations Inc. Through her career she has worked with a number of high growth companies where she led multiple business/strategic planning initiatives, private and public financings, and sales and marketing programs. Sage holds an M.B.A in international business from Queen's University. She serves on three corporate boards and is an active mentor and advisor for numerous entrepreneurs and their businesses.

Cameron Brown, M.B.A. is a citizen of the Heiltsuk First Nation and an independent management consultant specializing in Aboriginal management and economic development and training and education. He has also served as the National Director, Aboriginal Banking (Toronto) for the CIBC and was a professor at Trent University in Peterborough, Ontario, in the Native Management and Economic Development Program. He previously served as Band Manager and a Councillor for his First Nation.

Merv Child, Chair is a lawyer practising in the areas of administrative and aboriginal law. He also acts as the Executive Director for the Nanwakolas Council, a Campbell River-based society of seven First Nations addressing land and resource use issues and related economic development opportunities.

Percy Crosby represents Skidegate at the Haida House as an elected official for the CHN. He has held an executive position on the boards of Gwaii Trust and Gwaii Forest Charitable Trust and sits on the board of Haida Gwaii Community Futures. He also works for the BC Ministry of Forests, Lands and Natural Resource Operations as a First Nations Liaison. He acts as the coordinator and board member for the Haida Gwaii Cultural Wood Advisory Board, representing the Province.

LEFT TO RIGHT: SAGE BAKER, CAMERON BROWN, MERV CHILD, PERCY CROSBY



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Garth Davis is the CEO of New Market Funds and has spent more than 20 years in capital deployment. He has leadership experience in impact investing (Vancity Community Capital), private equity (Turtle Creek and Scotia Merchant Capital), and corporate and leveraged finance (Scotia Capital). He has a Master of Arts in International Economics from the Paul H. Nitze School for Advanced International Studies, Johns Hopkins University, a Master of Science from the London School of Economics and Political Science, and a Bachelor of Arts from Simon Fraser University.

Darcy J. Dobell has over 20 years' experience in policy, strategic planning, and communications in public and non-profit sectors. As VP, Conservation and Pacific at WWF-Canada, she led conservation programs in BC and across Canada. She also served for a number of years as a director and co-Chair of the Clayoquot Biosphere Trust, and was the founding Chair of the Raincoast Education Society. Through her consulting company, Darcy currently works with First Nations, government agencies, businesses, and NGOs to advance sustainability initiatives.

Wally Eamer has a Bachelor of Arts from University of B.C. and Master of Business Administration from Harvard. He worked for over twenty years in the provincial government, including Ministry of Environment and BC Parks. In the Central Coast process from 2002, he was the provincial Table representative. He was a provincial negotiator with First Nations in 2004 and 2005, and since 2006 has worked on EBM implementation with the Nanwakolas Council.

Chris Trumpy holds a Bachelor of Commerce degree and a Certified General Accountant designation. While working for the provincial government he was Deputy Minister of the Ministries of Finance and Corporate Relations; Provincial Revenue; Sustainable Resource Management; and Environment. He has also been Secretary to the Treasury Board and is the former Chair of the Pacific Carbon Trust. He currently sits on the boards of Puget Sound Energy, Puget Energy and Coast Capital Savings Credit Union.

Gerald Wesley is the Vice-Chair of the Northern Development Initiative Trust, chief negotiator for the Tsimshian First Nations Treaty Society, and a consultant offering services to First Nations. He has served on numerous Boards in BC and is one of the original members for the University of Victoria, Administration of Aboriginal Governments Program Advisory Committee. He also has extensive experience in the forest industry and in band and tribal council administration. Gerald is a hereditary chieftain from the Kitsumkalum First Nation just outside of Terrace, B.C.

LEFT TO RIGHT: GARTH DAVIS, DARCY DOBELL, WALLY EAMER, CHRIS TRUMPY, GERALD WESLEY



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MEMBERS

The members represent the interests of the eligible First Nations communities and of the original funders.

Ross McMillan President and CEO, Tides Canada Foundation

Richard Jeo Director, Montana State Director, The Nature Conservancy

Dallas Smith President, Nanwakolas Council

Marilyn Slett Chief Councillor, Heiltsuk First Nation

Julian Paine Assistant Deputy Minister, Local Government Division, B.C. Ministry of Community, Sport and Cultural Development

Craig Sutherland Assistant Deputy Minister, Coast Area, B.C. Ministry of Forests, Land, and Natural Resource Operations

Cynthia Samuels Old Masset Regional Representative, Council of the Haida Nation (non-voting) (replacing April Churchill)

Bruce Watkinson Fisheries Manager with Gitxaala Environmental Monitoring (non-voting)

Making a Difference: What's the secret to success for the Haida Enterprise Corporation? "We operate HaiCo, which is owned by the Council of the Haida Nation (CHN), on very sound corporate governance principles without compromising the importance of Haida cultural values," says CEO Kevin Ainsworth. Following expert advice, the CHN set up HaiCo as an independent economic development corporation at arm's length from the Council, while retaining shareholder control. CHN appointed an experienced Board of Directors and a strong staff team. "It also comes down to ensuring we have a sound, practical human resources strategy in place. Our skills development coordinator works on matching up people with skills with job opportunities and also is implementing training and capacity-building programs. So we're starting to see more and more Haida people move into these new jobs that are being generated as we acquire or expand HaiCo operations." CHN utilized part of its CEDS allocation to support the set-up of HaiCo, business planning, early core operational funding and acquisitions of key business assets like the Haida House at Tlaall. "That Coast Funds money has made a huge difference," says Ainsworth. "Coast Funds staff have also been incredibly helpful to us and supportive of our goals in using the money for these purposes."

"REACHING NEW HEIGHTS," TALKING STICK, JANUARY 2013



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STAFF

David Mannix Snuneymuxw First Nation, is the Executive Director of Coast Economic Funds. He has a background in private enterprise and management, having owned his own forest company for twenty years, and managed economic development for Snuneymuxw First Nation for thirteen years.

Scott Rehmus Director of Conservation, has a background in philanthropy, having run two conservation and science grant programs for a large international foundation. Before joining Coast Funds, originally in the role of CEO of CCEFF, he worked on conservation and sustainable development in Micronesia.

Brodie Guy Director of Economic Development, has a background in sustainable development within the private and public sectors. He has led strategic initiatives and directed project investments throughout northern BC for a \$200 million trust and has managed international marketing for an environmental technology firm. Most recently, Brodie was British Columbia's liaison to the World Bank.

Chris Earle Director of Finance and Administration, has a BCom and is a CMA. Immediately prior to joining Coast Funds Chris was Director of Finance at St. Michael's Centre Hospital Society in Burnaby. He brings with him extensive experience in financial management, business analysis and strategy, risk management and operational and governance processes.

Mary Speer Accounting, Payroll and Board Administrator, has a background in insurance, having worked in underwriting and accounting for eight years. She holds a Bachelor of Science in Mathematics, and is currently working on her CGA designation.

Ana Yu Project Administrator, has eleven years' experience managing projects, including three years of administering a province-wide Request for Proposals for First Nations environmental health research funding. She has seven years' experience working with First Nations in B.C. and the Yukon, and holds a Bachelor of Commerce from the University of Toronto.



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GOVERNANCE, FINANCE AND ADMINISTRATION

As always, Coast Funds endeavoured to perform to the best practices of good governance and ensure its daily operations were efficient and cost effective. In addition, in 2013 the following governance, financial and administrative goals were met:

STRENGTHEN BOARD EFFECTIVENESS

- A one-day strategic planning session with full Board participation was held, to review the organization's goals and strategies (more detail on the strategic plan is provided on page 24).
- Board and Director evaluation surveys were completed and analysed. A report on the results was provided at the 2013 AGM. The Board will undertake a further evaluation in 2015, comparing results and improvements.

STRENGTHEN MEMBER ENGAGEMENT

- A process for nominations of Directors supported by all Members was finalized and implemented. Four Board vacancies were filled utilizing the new method.

ADDRESS CORE STRATEGIC ISSUES TO FACILITATE LONG TERM PLANNING

- Coast Funds successfully worked with the provincial government to identify changes to the CEDS funding agreement arising from the decision to extend the CEDS term to 2017. Those changes will be formalized in 2014.

PROACTIVE MANAGEMENT OF REGULATORY ISSUES

- A decision was made to rescind CCEFF US tax Charity status. The decision and impacts were communicated to Funders and First Nations.

PROACTIVE FINANCIAL MANAGEMENT

- Two independent investment consultants undertook a review of investment policies to ensure that they meet the standard of best practices and provide an appropriate balance between risk and return, giving rise to a set of recommendations and a risk return rebalancing.
- An organization-wide expense policy in line with standard accepted practices for similar organizations was implemented.
- CEDS pro forma financial projections were updated.
- We undertook an assessment of attrition risk and developing a retention policy. The conclusion was that it is too early to develop and implement such a policy.

Development of policy on use of unused allocations was deferred to 2014.

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2014–2016 STRATEGIC PLAN

In October 2013, with six years of experience under its belt, the Board decided to review every aspect of Coast Funds' direction in order to develop a vision and strategic plan for the future that reflects those experiences and the evolution of the organization over time while remaining committed to the purposes of Coast Funds as set out in our governing documents.

In December, the Board adopted a 2014–2016 Strategic Plan with the following vision and mission:

VISION Participating First Nations enjoy sustainable community prosperity while maintaining the integrity of the coastal ecosystems of the Central Coast, North Coast and Haida Gwaii areas of coastal British Columbia.

MISSION To assist Participating First Nations in achieving their goals for sustainable economic development and conservation management.

KEY PRINCIPLES

We also reviewed the key organizational principles and core values that guide us in our work, and included those in the Plan. Examples of those principles and values include providing support through mutually respectful relationships, responsible stewardship of the funds, and transparency and accountability.

PLANNING CONTEXT

In determining our goals for the next three years, the Board kept in mind its decision last year to extend the term of CEDS to June 2017, and asked itself two key questions:

- How can completion of the CEDS mandate by June 2017 be achieved?
- How should Coast Funds transition to a post-2017 context consistent with the vision and mission?

In answering those questions, Coast Funds needs to ensure it maintains a clear understanding of the kinds of challenges faced by the Participating First Nations. Coast Funds must also address the post-2017 needs and goals of the Participating First Nations, and ongoing post-2017 service delivery as required or desired.

Realizing Dreams: Ulkatcho First Nation is setting a high standard for resource management in British Columbia," says Chief Zach Parker (Tsil). "Our forestry sustainability plan goes well beyond the minimum forestry practices standards set by the provincial government, for example. We want Ulkatcho to be harvesting wood in this territory 100 years from now, so that's vital." Using a portion of their CEDS allocation, Ulkatcho re-opened their Anahim Lake sawmill in 2012. "I'm very happy that Ulkatcho is back in the forestry business and that our resource management approach is being recognized as sustainable and appropriate. There is no doubt in my mind that we're going to realize our dream of long term sustainability for our territory and our people, and for everyone who lives in this territory."



"TAKING THE LONG VIEW," THE TALKING STICK, JUNE 2013

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GOALS

With that context in mind, the Board developed the following goals for 2014–2016:

GOAL 1 To foster resilient Participating First Nation community economies throughout the region.

GOAL 2 To foster Participating First Nations' leadership in conservation activities, and management of protected areas in the region.

GOAL 3 To increase the capacity in First Nations' communities to realize sustainable economic development opportunities and lead conservation management, project development and workforce development.

GOAL 4 To transition to a post-2017 structure and process that respects the requirements of the organization's governing agreements while supporting Participating First Nations' needs.

OBJECTIVES

Objectives supporting each goal are also set out in the Plan. For example, supporting Goal 1 is the following objective, among others: "Increased numbers of sustainable and diverse First Nation-owned and/or operated businesses and individual enterprises creating jobs in communities in the region." Another example is this objective, supporting Goal 4: "Develop efficient and effective organizational strategies and structures to give effect to the transition to a post-2017 structure and process."

The full Strategic Plan can be found on our website under "About the Funds: Governing Documents." See www.coastfunds.ca/coast-funds-strategic-plan.



Planning Ahead: "The main thing," says 'Nakwaxda'xw hereditary chief Thomas Henderson, "is that with these Conservancy Management Plans we are continuing to do what we have been doing all of our lives in these areas, respecting what our ancestors did before us, and ensuring our future generations will be able to keep doing them. Before we had the plans, and a table to discuss the ongoing management of these areas, some people wouldn't even talk to us about our concerns. Now there is much better respect, and listening to our concerns." Gwa'Sala-'Nakwaxda'xw elected Chief Councillor Paddy Walkus adds: "It has always been a dream and aspiration of our people to go back into our homelands and actively participate in their protection and use of the resources there. Through this process, we're doing it. There is a real sense of ownership again in the community, and of responsibility for the management of our lands and resources. I believe this is a really important step on the way to fulfilling our dream of taking back our homelands in a really meaningful way."

"TAKING BACK CONTROL," TALKING STICK, OCTOBER 2013

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ECONOMIC DEVELOPMENT PROJECT EVALUATIONS

A major initiative was completed in 2013 where Coast Funds collaboratively evaluated the outcomes of fifty three economic development projects with Participating First Nations. The vision of the evaluation was to understand the impact of awards and the evaluation was undertaken in the spirit of mutual learning rather than solely as a data collection exercise. The findings represent the early stages of both Coast Funds and the Nations' implementation of the economic development fund.

In order to accomplish this evaluation, a framework was developed that is based on a model created by the First Nations Development Institute. This model enabled a consistent evaluation of each project that assessed the pre- and post-project baselines for key development indicators including (but not limited to) employment, financial performance, institutional and infrastructure assets as well as social, cultural and environmental benefits.

The evaluation of each project was coordinated by Coast Funds and was finalized by each Participating First Nation to verify data and to capture lessons learned as well as unanticipated outcomes. The constraints of small remote communities and limited capacity, though not explicitly assessed in this evaluation, emerged in the findings. As this was Coast Funds' first comprehensive evaluation of awards, the methodology will continue to evolve with input from Participating First Nations. Additionally, Coast Funds will integrate project evaluations into standard reporting processes for each project and future awards decisions will be informed by this content.



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COMMUNICATIONS

In 2013 Coast Funds published three issues of its newsletter “The Talking Stick,” including stories on Haida Enterprise Co., the Ulkatcho First Nation and its forestry operations, and conservancy management planning, among other things. We also continued to expand an image library, including project images taken by Coast Funds staff as well as photos provided by the First Nations. These images help us produce our newsletters and other publications like this Annual Report.

As usual communications with Members, regional groups and First Nations were a high priority. Regular updates were provided regarding the outcomes of the 2012 comprehensive organizational review and other key Board decisions and relevant information. This was done through our website as well as direct correspondence and meetings.



Investing in Success: “The Orford River Valley is right in the heart of Homalco’s traditional territory,” says Homalco First Nation Councillor Bill Blaney. “For our young people to be able to work as tour guides there is very important. It’s reconnecting them with our culture at the same time as it is educating visitors about our history and our connections to this place. It’s really making a difference.” Their investment partners have been very important to their success, adds Councillor Alison Trenholm. Homalco has obtained funding from the Coast Sustainability Trust and Fisheries and Oceans Canada, among others, matching it with their own funds and project funding from their Coast Funds allocation. “The support from Coast Funds as we’ve developed the project has been tremendous,” says Trenholm. “Without that kind of support we would not have advanced this far so quickly.”

THE TALKING STICK, JANUARY 2012

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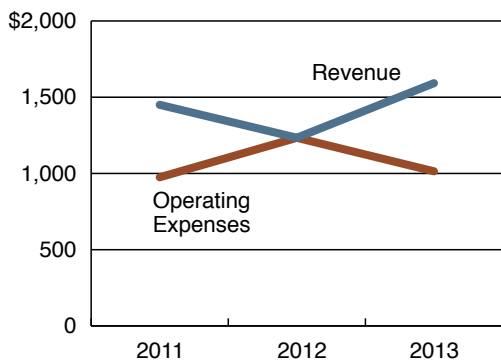
2013 FINANCIAL PERFORMANCE

COAST ECONOMIC DEVELOPMENT SOCIETY

RESULTS FROM OPERATIONS

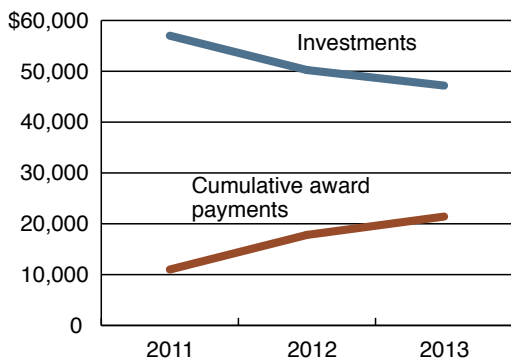
In 2013 the excess of revenue over operating expenses was \$.6 million, an increase from \$.1 million in the prior year. Investment income increased in 2013 due to strong equity performance, operating expenses remain relatively stable from year to year.

The decrease in operating expenses in 2013 was primarily attributable to not incurring costs for the Comprehensive Review Report.



INVESTMENTS AND INVESTMENT INCOME

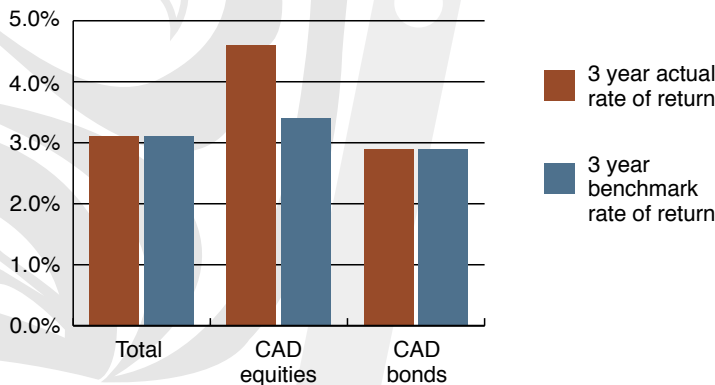
Investment income is dependent on both the amount of capital invested and the rate of return earned on investments. The Society's investments will decrease over its lifespan as awards are disbursed.



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Over the past three years, earnings from equities have been relatively volatile. In the same period, earnings from fixed income investment have been decreasing in line with upward pressure on interest rates. The investments are divided 90% fixed income and 10% equities so the weighted average rate of return closely aligns with the returns earned on the fixed income investments.

The Society and the Foundation monitor the performance of their investment managers by comparing actual rates of return to a benchmark based on market returns. The overall rate of return for the last three years was 3.1%, which is identical to the benchmark's rate of return over the same period.



During the year one of Coast Funds' two Canadian equity managers was replaced due to underperformance. In January 2014, one entire bond portfolio was liquidated and the proceeds were subsequently transferred over to a mortgage fund manager. This change is expected to improve the yield of the overall portfolio. The Board of Directors, with support from the Investment, Finance and Audit Committee and an investment consultant, will continue to monitor the performance of the investment managers.

(000's)
CEDS

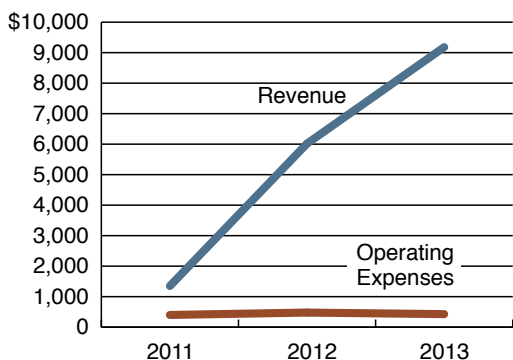
	2007	2008	2009	2010	2011	2012	2013
Opening Fund Balance	0	61,054	61,669	63,245	60,222	55,967	50,456
Contributions	60,050	0	0	0	0	0	0
Net Investment Income	1,070	1,885	4,536	2,879	1,441	1,328	1,592
Operating Expenses	66	471	828	927	968	1,235	1,014
Awards Expense	0	799	2,132	4,975	4,728	5,605	3,932
Closing Fund Balance	61,054	61,669	63,245	60,222	55,967	50,456	47,102

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COAST CONSERVATION ENDOWMENT FUND FOUNDATION

RESULTS FROM OPERATIONS

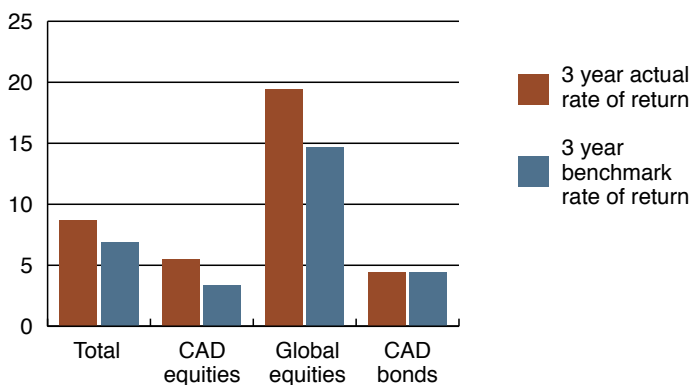
In 2013 the excess of revenue over operating expenses was \$8.8 million, a significant increase from \$5.5 million in the prior year. While investment income has been volatile over the last three years, operating expenses remain relatively stable from year to year.



INVESTMENT INCOME

Over the past three years, earnings from all portfolios have been volatile. The investments are divided 35% Canadian equities, 25% global equities and 40% fixed income.

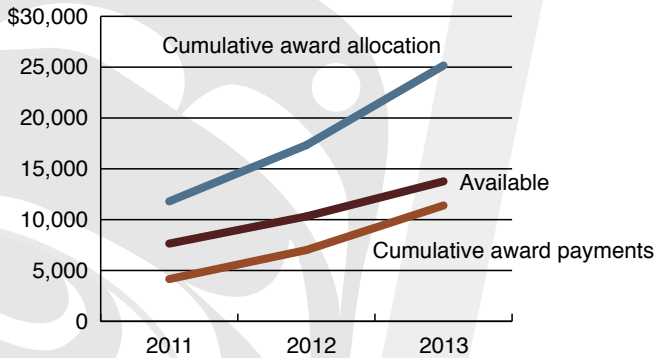
In 2013 the overall rate of return was 14.7%, which is an increase over the 2012 return of 9.7%. The annualized rate of return for the last three years was 8.7%, in excess of the benchmark at 6.9%.



ANNUAL AWARD ALLOCATION AND AWARD PAYMENTS

Although the annual payments to First Nations have increased year over year, they have not kept pace with available funding. Coast Funds anticipates that this gap will close as First Nations continue to build stewardship offices and identify conservation initiatives.

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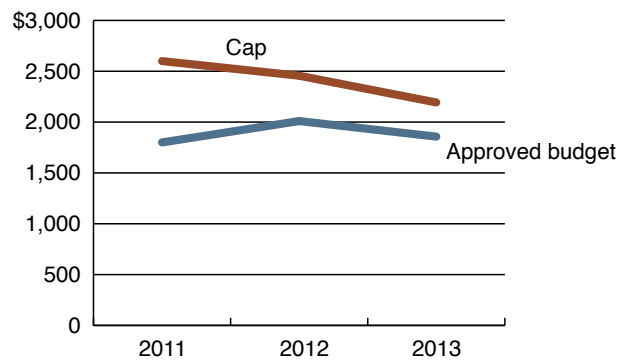
Of the revenue fund totalling \$17.7 million at December 31, 2013, \$13.8 is currently available to be drawn down for award distribution. The remaining balance of \$3.9 million has been set aside for future distribution in the event that investment income is less than a target minimum in a future year.

**(000's)
CCEFF**

	2007	2008	2009	2010	2011	2012	2013
Opening Fund Balance	0	2,034	58,371	64,823	68,258	66,829	69,305
Contributions	2,000	55,829	15	4	10	11	13
Net Investment Income	47	954	7,677	5,877	1,393	6,008	9,166
Operating Expenses	13	208	228	316	399	478	427
Awards Expense	0	238	1,012	2,130	2,433	3,065	4,275
Closing Fund Balance	2,034	58,371	64,823	68,258	66,829	69,305	73,783

COMBINED OPERATING EXPENSES

Coast Funds' goal is to operate as efficiently as possible while meeting the standards for service and due diligence outlined in our governing documents. Over the last three years, the Board approved budgets which are substantially lower than the cap imposed by the funders. In addition, Coast Funds has consistently maintained a positive variance between the approved budget and actual expenses.



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2013 FINANCIAL STATEMENTS COAST ECONOMIC DEVELOPMENT SOCIETY

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31

	2013	2012
Assets		
Current assets		
Cash	\$ 1,673,761	\$ 602,004
Restricted deposit	762,099	753,540
Short-term investments	6,872,420	9,365,287
Due from the Foundation	14,765	21,739
Other current assets	3,642	13,939
	<u>9,326,687</u>	<u>10,756,509</u>
Investments	38,640,821	40,277,136
Property and other assets	13,052	20,708
	<u>\$ 47,980,560</u>	<u>\$ 51,054,353</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 123,546	\$ 156,418
Accrued award distribution	755,460	441,705
	<u>879,006</u>	<u>598,123</u>
Net assets		
Externally restricted		
Federal revenue fund	8,128,697	6,924,796
Provincial revenue fund	1,143,760	1,770,173
Regional economic development planning fund	231,269	292,753
Federal economic development fund	30,000,000	30,000,000
Provincial economic development fund	7,597,828	11,468,508
	<u>47,101,554</u>	<u>50,456,230</u>
	<u>\$ 47,980,560</u>	<u>\$ 51,054,353</u>

Financial information extracted from the audited financial statements of Coast Economic Development Society. A complete copy of the audited financial statements is available upon request.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS YEAR ENDED DECEMBER 31

	Federal revenue fund	Provincial revenue fund	Regional economic development planning fund	Federal economic development fund	Provincial economic development fund	2013 Total	2012 Total
Revenue							
Net investment income	\$ 1,203,901	\$ 387,818	\$ -	\$ -	\$ -	\$ 1,591,719	\$ 1,328,243
Expenses							
Administration	-	73,001	-	-	-	73,001	77,447
Awards	-	-	61,484	-	3,870,680	3,932,164	5,605,250
Board expenses	-	140,217	-	-	-	140,217	206,753
Capacity and support services	-	25,920	-	-	-	25,920	123,630
Communications	-	35,604	-	-	-	35,604	34,926
Facilities and equipment	-	104,150	-	-	-	104,150	101,393
Personnel	-	589,738	-	-	-	589,738	573,724
Professional fees	-	194,934	-	-	-	194,934	249,698
	-	1,163,564	61,484	-	3,870,680	5,095,728	6,972,821
Recovery from the Foundation	-	(149,333)	-	-	-	(149,333)	(133,924)
	-	1,014,231	61,484	-	3,870,680	4,946,395	6,838,897
Excess (deficiency) of revenue over expenses	1,203,901	(626,413)	(61,484)	-	(3,870,680)	(3,354,676)	(5,510,654)
Net assets, beginning of year	6,924,796	1,770,173	292,753	30,000,000	11,468,508	50,456,230	55,966,884
Net assets, end of year	<u>\$ 8,128,697</u>	<u>\$ 1,143,760</u>	<u>\$ 231,269</u>	<u>\$ 30,000,000</u>	<u>\$ 7,597,828</u>	<u>\$ 47,101,554</u>	<u>\$ 50,456,230</u>

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2013 FINANCIAL STATEMENTS COAST CONSERVATION ENDOWMENT FUND FOUNDATION

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31

	2013	2012
Assets		
Current assets		
Cash	\$ 1,096,479	\$ 317,610
Government and other receivables	13,685	25,733
Short-term investments	449,217	1,194,190
	<u>1,559,381</u>	<u>1,537,533</u>
Investments	72,344,364	68,168,221
	<u>\$ 73,903,745</u>	<u>\$ 69,705,754</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 106,009	\$ 116,524
Due to Society	14,765	21,739
Accrued award distribution	-	262,230
	<u>120,774</u>	<u>400,493</u>
Net assets		
General	37,887	24,400
Externally restricted		
Revenue fund	17,676,928	13,105,430
Regional conservation planning fund	239,541	346,816
Conservation endowment fund	55,828,615	55,828,615
	<u>73,782,971</u>	<u>69,305,261</u>
	<u>\$ 73,903,745</u>	<u>\$ 69,705,754</u>

Financial information extracted from the audited financial statements of Coast Conservation Endowment Fund Foundation. A complete copy of the audited financial statements is available upon request.

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS YEAR ENDED DECEMBER 31

	General	Revenue fund	Regional conservation planning fund	Conservation endowment fund	2013 Total	2012 Total
Revenue						
Contributions	\$ 13,487	\$ -	\$ -	\$ -	\$ 13,487	\$ 10,700
Net investment income	-	9,166,147	-	-	9,166,147	6,007,884
	<u>13,487</u>	<u>9,166,147</u>	<u>-</u>	<u>-</u>	<u>9,179,634</u>	<u>6,018,584</u>
Expenses						
Administration	-	18,197	-	-	18,197	23,638
Awards	-	4,167,871	107,275	-	4,275,146	3,064,910
Capacity	-	29,197	-	-	29,197	86,919
Cost sharing with the Society	-	151,769	-	-	151,769	137,182
Personnel	-	188,209	-	-	188,209	191,488
Professional fees	-	39,406	-	-	39,406	38,635
	<u>-</u>	<u>4,594,649</u>	<u>107,275</u>	<u>-</u>	<u>4,701,924</u>	<u>3,542,772</u>
Excess (deficiency) of revenue over expenses	13,487	4,571,498	(107,275)	-	4,477,710	2,475,812
Net assets, beginning of year	24,400	13,105,430	346,816	55,828,615	69,305,261	66,829,449
Net assets, end of year	<u>\$ 37,887</u>	<u>\$ 17,676,928</u>	<u>\$ 239,541</u>	<u>\$ 55,828,615</u>	<u>\$ 73,782,971</u>	<u>\$ 69,305,261</u>

weaving together the threads of conservation and community well-being





Our logo was designed by artist Curtis Wilson, whose Hamat'sa name, passed down to him through potlatch, is Tayanaxwalis, (his everyday name is Mulidzas) and whose English given name is Curtis Wilson. Curtis was born and raised in Campbell River and his families are traditionally from the four corners of the Kwakwak'awakw territory. The roots of his family can be traced to the Axwamees (Wakeman Sound), 'Nakwaxda'xw (Ba'as-Blunden Harbour) and to the Leqwiltokw Nations.

Curtis has a BA in First Nations Studies from Vancouver Island University and has been part of the Laichwiltach Culture Group for many years. In his carving career, he utilizes many techniques and styles learned from his grandfather Sam Henderson Sr. and from his uncles and cousins, while developing a unique style of his own. His goal is to learn as much about his culture and heritage as he can to pass it on to the next generation.

COAST OPPORTUNITY FUNDS ANNUAL REPORT 2013



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