



COAST FUNDS

2018 Annual Report

Coast Funds is two separate organizations established to manage \$118 million provided by six private foundations, the Province of British Columbia, and the Government of Canada.



**COAST
FUNDS**

COAST CONSERVATION
ENDOWMENT FUND
FOUNDATION

Coast Conservation Endowment Fund Foundation is a registered Canadian charity established to manage a \$2 million regional conservation planning fund and a permanent endowment fund of approximately \$56 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 investment performance of the fund.



**COAST
FUNDS**

COAST ECONOMIC
DEVELOPMENT
SOCIETY

Coast Economic Development Society is a not-for-profit society established to manage a \$60 million economic development fund in support of First Nations communities and businesses. The capital in this fund is invested in business development initiatives throughout the Great Bear Rainforest and Haida Gwaii, targeting sectors with good potential to support sustainable development in the region and strengthen community well-being.



COVER PHOTO

Gitga'at Guardian Stanley Robinson conducts monitoring, survey, and research work throughout Gitga'at territory, helping to strengthen and protect the community well-being of the Gitga'at First Nation today and for future generations.

PHOTO BY

Brodie Guy

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MESSAGE FROM THE CHAIR

This past year was one of change, growth, and reflection at Coast Funds. In 2018 we achieved a major milestone: **it has been 10 years since we made our first investments in support of the conservation and economic development goals of First Nations** in the Great Bear Rainforest and Haida Gwaii. Achieving that milestone has encouraged a time of reflection on where we've been and where we are headed.

In the past decade, our board of directors approved \$81.6 million for 353 projects that have contributed to the growth of a new sustainable economy across the coast and to the stewardship of First Nations' lands and waters. **In 2018, our board approved \$2.4 million for 13 conservation and stewardship projects and \$2.4 million for 10 economic development projects.**


Those projects are having huge impacts for communities and proving that prosperity and ecology are vitally linked. Across the region, Guardian Watchmen and other monitoring programs are continuing to grow; eight stewardship programs expanded in 2018, and First Nations led cultural and ecological stewardship projects across more than 40 protected areas. This year Da'naxda'xw First Nation invested in the construction of three new Guardian cabins throughout Knight Inlet, Gitga'at Guardians built a new cabin at K'yel, and Metlakatla First Nation established a new land-based Guardian program.

First Nations' economies are continuing to diversify.

In 2018, five new businesses were created with Coast Funds' support, including Dzawada'enuxw First Nation's first project through the economic development fund: an acquisition of a marina and lodge. In Wuikinuxv territory, Hamatsa Reforestation started a silviculture business; in Prince Rupert, Gitga'at First Nation is preparing to launch a laundromat service; and along the banks of the Bella Coola river, Nuxalk Nation is completing its impressive new longhouse restaurant and gift house.

Each of these projects provide training and job opportunities for First Nations community members. **Since inception, Coast Funds has supported First Nations to create and expand 108 businesses and 1033 jobs.** In 2018 alone, 39 permanent jobs were created from new economic development projects approved by the board, and 85% of these new jobs employ First Nations community members.

While we celebrate the past, we also look to the future. First Nations continue to affirm that their stewardship programs are not yet financed at requisite levels, based on the endowed value of Coast Funds 10 years ago. Coast Funds was established by its funders with the requirement that it support First Nations' stewardship in perpetuity, and so **we are developing, with First Nations, a plan**



Coast Funds directors and management were grateful for the hospitality of the Nuxalk Nation during our October 2018 in-region board meeting in Bella Coola.

PHOTO BY
Laura Hope

to secure the intergenerational sustainability of the conservation endowment fund.

Coast Funds Members, representing First Nations and our Funders, as well as communities have asked us to explore ways of continuing support for First Nations-led economic development. **We are partnering with First Nations and Funders to determine if and how the economic development fund may be recapitalized prior to its spend down in the near future.** Coast Funds' board of directors continues to support First Nations as they build a diverse and sustainable economy that strengthens human well-being in communities along the coast.

The projects First Nations are developing throughout the Great Bear Rainforest and Haida Gwaii are a source of knowledge for Indigenous Peoples across the globe. **In 2018, representatives from our board, staff, and the First Nations we work with shared their experiences and lessons learned from 10 years of Indigenous-led conservation finance.** We connected with Indigenous Peoples of Colombia, the Leuser Ecosystem in Sumatra, Peru, Thaidene Nene in the Northwest Territories, Northern Great Plains in the United States, and Waikato in Aotearoa/New Zealand.

2018 was also a year of board transition at Coast Funds. **We said goodbye to our longest serving director, Merv Child. Merv was one of the first directors when Coast Funds was established, and served as board chair since 2010.** His retirement followed his third full term as a director, the maximum allowable under our governing documents. Following Merv's retirement, Wally Eamer, who has served as a director since 2013, was nominated by the Nanwakolas Council as their new representative. With great support from Merv and my fellow directors, I have moved into the position of chair and look forward to serving the 27 First Nations we work with.



We were joined by two new staff members in 2018: Eddy Adra joined us as our Director, Finance and Vicki Scully as our Manager, Economic Development while our Director, Project Investment, Ashley Hardill, takes parental leave.

Together with our board and staff, I look forward to Coast Funds' continued partnership with First Nations as we work together to strengthen human well-being and steward the lands and waters of the Great Bear Rainforest and Haida Gwaii.

Percy Crosby



Huux Percy Crosby
Chair, Coast Funds

ABOUT COAST FUNDS

Coast Funds was created in 2007 out of mutual recognition by First Nations, conservationists, industry, and government that a sustainable economy is vital to conservation efforts in the Great Bear Rainforest and Haida Gwaii areas of British Columbia.

First Nations communities have cared for and depended on their traditional territories in this region for their cultural, social, and economic well-being since time immemorial. The region also has compelling conservation value. The Great Bear Rainforest and Haida Gwaii are magnificent old-growth forest ecosystems representing one of the world's largest remaining coastal temperate rainforests and supporting wild Pacific salmon, genetically unique wolves, grizzly bears, and the white "spirit" bear among many other species.

A healthy environment in the Great Bear Rainforest requires maintaining the link between the environment, local First Nations, a sustainable economy, and healthy communities. First Nations' management of the environment and the economy of the region determines not only their own future, but the future of the Great Bear Rainforest and Haida Gwaii as a whole.

Coast Funds was created to make the vital connection between sustainable development projects that embrace conservation values; the social, cultural and economic well-being of the First Nations communities; and the 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 on the central and north coast of BC and on Haida Gwaii to achieve healthy and vibrant economies and communities in tandem with the conservation of their homelands for the benefit of future generations.

IN MEMORIAM – DAVE MANNIX

Jan 31, 1956 – Apr 7, 2019

It is with great sadness we learned of the passing of Coast Funds' founding executive director David Mannix, a member of Snuneymuxw First Nation.

Those whose lives he touched will remember Dave as a kind, gentle, and generous man whose enthusiasm infected every element of his life and work. Dave was a man of unshakeable values who carried a life-long commitment to uplifting Indigenous Peoples and bettering Canadian society through his work and relationships.

At Coast Funds, Dave played a vital role in shaping the organization. He worked closely and respectfully with diverse communities, made many valuable friendships, and left behind a long-lasting legacy.

Dave is survived by his loving family including his partner Vanessa, his children Stephanie and Neil, and his siblings Wayne, Kathy, and Daniel. On behalf of all Coast Funds' directors and staff, past and present, we extend our heartfelt condolences to Dave's family, the Snuneymuxw First Nation, and all those who knew and loved Dave during his life.

May the frogs always sing along your new journey, Dave.



Dave enjoying a beautiful day in 2015 on the Spirit Bear 1 in Kitasoo/Xai'xais territory. May he rest in peace and may our prayers help guide him on his journey to the Creator.

PHOTO BY
Brodie Guy

OUR MANDATE

Vision

Participating First Nations enjoy strengthened community well-being while maintaining coastal ecosystems throughout the Great Bear Rainforest and Haida Gwaii.

Mission

To partner with Participating First Nations in achieving their goals for permanent conservation and sustainable economic development.

Core Values

The Board has adopted the following core values to guide the operations of Coast Funds:

- Respect for First Nations' history, land use rights, and decision-making authority;
- Integrity;
- Consistency;
- Collaboration and inclusiveness;
- Adaptability and responsiveness; and
- Transparency and accountability.



Coast Funds participated in an Indigenous Ecotourism Summit organized by Tides Canada in fall 2018. Participants gathered at the Gwa'sala-'Nakwaxda'xw-owned Kwa'ililas Hotel in Port Hardy to discuss the benefits and opportunities of Indigenous ecotourism.

PHOTO BY
Jenni Schine, Tides Canada

Organizational Principles



MUTUALLY RESPECTFUL RELATIONSHIPS

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



COLLABORATIVE DUE DILIGENCE

Coast Funds works in close partnership with Participating First Nations to make responsible, objective, and business-based decisions to develop successful applications and to fund sound, high quality projects.



CAPACITY BUILDING

Coast Funds supports Participating First Nations as they strengthen their capacity and develop relationships between each other and with other agencies, financial institutions, and potential partners to leverage additional resources, increase the opportunities for success, and maximize the impact of Coast Funds' project investments through relationship building, facilitation, and knowledge sharing.



RESPONSIBLE STEWARDSHIP OF FUNDS

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



DEMONSTRATING BEST PRACTICES

Coast Funds strives to be highly trusted and respected for its leadership in strong governance and management, continuous learning and proactive knowledge sharing, project outcomes reporting, and its value-added service to First Nations.

PARTICIPATING FIRST NATIONS

Over the past 10 years Coast Funds has worked in partnership with the following First Nations and their regional organizations to support their stewardship and economic development projects throughout the Great Bear Rainforest and Haida Gwaii.



**Coastal First Nations –
Great Bear Initiative**
North and
Central Coast
15 PROJECTS



**Da'naxda'xw
Awaetlala**
Knight Inlet
6 PROJECTS



Dzawada'enuxw
Kingcome Inlet
1 PROJECT



Gitanyow
Kitwanga River
1 PROJECT



Gitga'at
Hartley Bay
20 PROJECTS



Gitxaala
Kitkatla
1 PROJECT



**Gwa'sala-
'Nakwaxda'xw**
Smith and
Seymour Inlets
15 PROJECTS



Gwawaenuk
Watson Island



Haida
Haida Gwaii
40 PROJECTS



Haisla
Kitamaat
20 PROJECTS



Haízaqv (Heiltsuk)
Bella Bella
40 PROJECTS



K'ómoks
Comox
7 PROJECTS



Kitasoo / Xai'xais
Klemtu
21 PROJECTS



Kitselas
Terrace
5 PROJECTS



Kwikah
Phillips and
Frederick Arm
9 PROJECTS



Kwikwasut'inuxw
Haxwa'mis
Gilford Island
2 PROJECTS



Lax Kw'alaams
Tsimshian Peninsula
23 PROJECTS



Mamalilikulla
Village and
Compton Islands
9 PROJECTS



Metlakatla
Prince Rupert
15 PROJECTS



'Namgis
Alert Bay
2 PROJECTS



**Nanwakolas
Council**
South Central Coast
5 PROJECTS



Nisga'a
Nass Valley
21 PROJECTS



**North Coast Skeena
First Nations
Stewardship Society**
North Coast & Lower
Skeena River Coast
7 PROJECTS



Nuxalk
Bella Coola
23 PROJECTS



Tlowlitsis
Johnstone Strait
4 PROJECTS



Uikatcho
Anahim Lake
3 PROJECTS



We Wai Kai
Quadra Island
2 PROJECTS



Wei Wai Kum
Campbell River
7 PROJECTS



Wuikinuxv
Rivers Inlet
15 PROJECTS



**Xwémalhkwu
(Homalco)**
Bute Inlet
14 PROJECTS

OUR PROJECT AREA



COAST FUNDS



REFLECTING ON 10 YEARS OF CONSERVATION FINANCE

Ten years have passed since Coast Funds' board of directors first approved funding for a First Nations-led conservation project. More than twice that time has elapsed since First Nations, the Government of British Columbia, and forestry companies sat down to negotiate what would become the Great Bear Rainforest agreements.

I was involved in those multi-year negotiations resulting in the creation of a \$120 million fund that would later become Coast Funds. **I was grateful to join the board of directors when Coast Funds was established, recognizing the opportunity it presented for permanent conservation and sustainable development in the region.**

Coast Funds was, at the time, the only Indigenous-led conservation finance organization in the world. Through sound investment of the original funds raised, the organization would operate in perpetuity, and support sustainable development and stewardship across our homelands. **To this day, Coast Funds serves as a model for how conservation finance can and should be led by Indigenous Peoples whose territories are at the centre of land, marine and resource management decisions.** Most importantly, the Coast Funds model demonstrates how to link a healthy environment with the prosperity and well-being of Indigenous Peoples.

To serve that purpose, Coast Funds needed to work in partnership with the First Nations we serve to support their conservation and development goals. Looking back on the past 10 years, I see we have made tremendous progress. I'm immensely proud to have been one of the many who helped shape Coast Funds.

In late 2008, the board approved its first funding application. The conservation fund invested in Coastal First Nations, an alliance of nine First Nations, to develop a model for stewardship departments along the coast and a plan for building capacity for implementing conservation-based initiatives.

Ten years later, our board of directors has approved funding for a further 352 projects—\$81.6 million in total. Each endeavour makes a difference to the long-term well-being of First Nations communities. Those benefits take many forms: 1033 permanent jobs, 108 new or expanded businesses, and management plans for 26 protected areas. **Each project grows capacity for First Nations to steward their territories and enhances opportunities for self-determination.**

During my time as a director and board chair, I have seen a lot of growth and development at Coast Funds. We have improved the way we communicate with First Nations: creating Talking Stick, a publication that celebrates stewardship and economic development successes; launching a multimedia-based website to publish storytelling and project outcomes in partnership with First Nations; and working to ensure transparency and a regular flow of information to Members and Funders. We have seen leadership transitions at both the board and staff level, with each individual contributing their own set of skills to supporting First Nations. Indeed, Coast Funds wouldn't exist without the collective work of our staff, directors, Members, and Funders.

Coast Funds is thriving today because of the collaborative and focused work of many individuals from many backgrounds. **Together, we are achieving a shared vision: that the First Nations of the Great Bear Rainforest and Haida Gwaii enjoy strengthened community well-being while maintaining their coastal ecosystems.** 10 years in, that vision has guided us to success and recognition as a global model of Indigenous-led conservation finance to which I am honoured to have contributed.



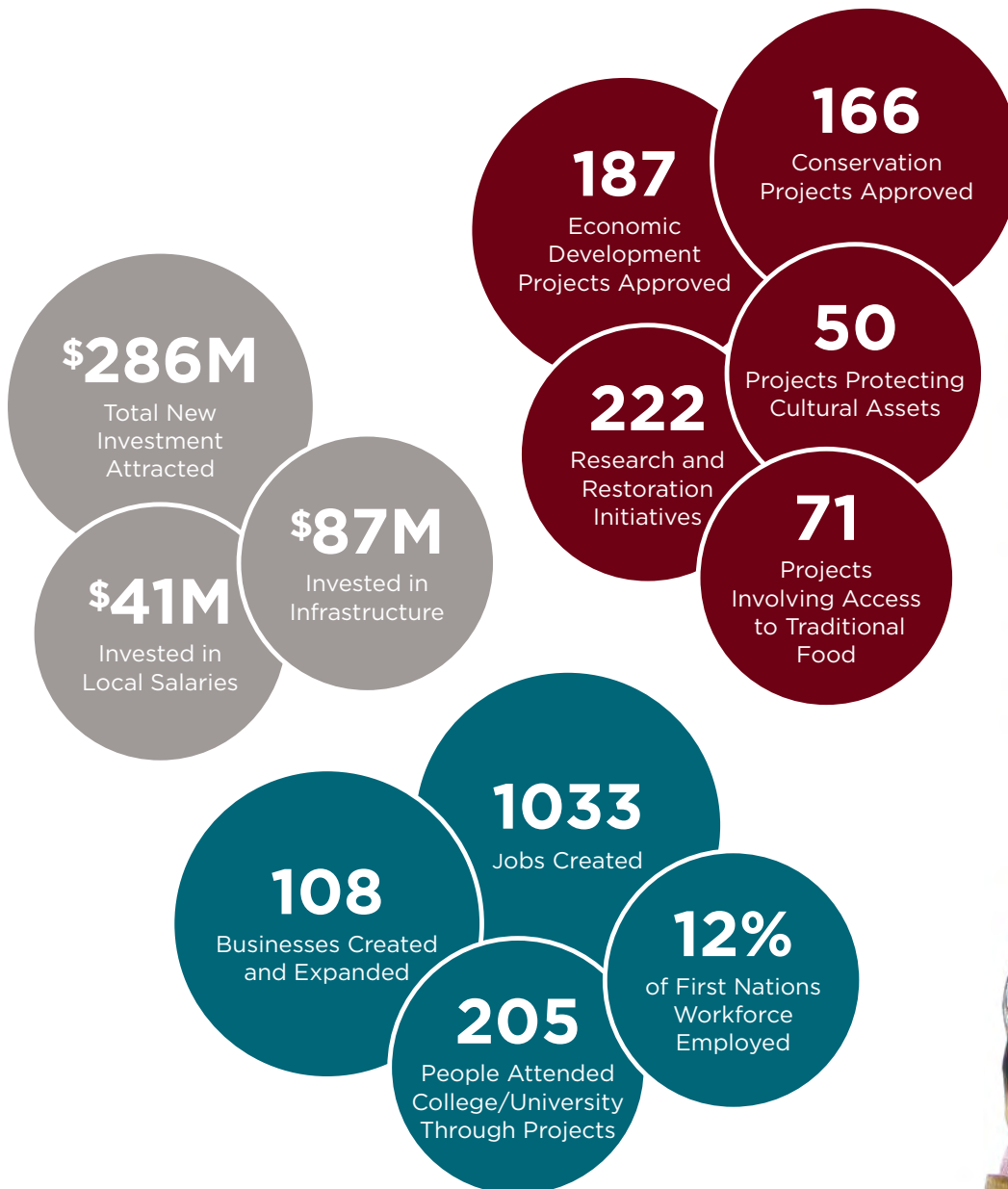
Merv Child
Founding director and board chair
(2010-2018), Coast Funds

AT A GLANCE: 10 YEARS OF STRENGTHENING WELL-BEING



COAST FUNDS

Numbers provide a glimpse at how First Nations are investing to strengthen the well-being of their communities and ensure the permanent stewardship of their territories; they demonstrate the positive change that is happening throughout the Great Bear Rainforest and Haida Gwaii. In the last 10 years, with conservation finance support from Coast Funds, that change is happening rapidly. Below are a few outcomes from Coast Funds' first 10 years of operation.



A welcome pole greets visitors in Klemtu, Kitasoo/Xai'xais territory.

PHOTO BY
Laura Hope



A DECADE OF DEFINING MOMENTS



2006

FEBRUARY

A New Vision for BC

First Nations, the BC Government, environmental groups, and forest companies stand together to announce land-use management plans for a 6.4-million-hectare region known as the Great Bear Rainforest, including nearly two million hectares of protected areas.



2007

JANUARY

\$60M for Sustainable Development

The federal and provincial governments each commit \$30 million for First Nations-led sustainable development. The funds match \$60 million previously pledged by philanthropic donors for stewardship and conservation.



2007

MAY

Creation of Coast Funds

Coast Funds—a global model of Indigenous-led conservation finance—was established with a \$120 million fund that would support the development of a sustainable coastal economy and stewardship of the region in perpetuity.



2008

OCTOBER

First Funding Approved

Coastal First Nations (CFN) invested to build capacity for economic development and stewardship forming the Coastal Stewardship Network and Great Bear Business Corporation. The nine member Nations of CFN continue to safely steward their territories and manage corporations that operate regional shellfish aquaculture, carbon credit and essential oil businesses.



2009

NOVEMBER

First Guardian Start-Up Funded

Wuikinuxv Nation, with support from Coast Funds, starts a Guardian Watchmen program to monitor and protect important cultural and ecological resources in its territory.



2012

DECEMBER

Independent Comprehensive Review Conducted

To improve its effectiveness, Coast Funds commissioned an independent review. The review found Coast Funds to be responsibly managed and providing support to ensure project success. It made 15 recommendations, including the tracking and reporting of well-being outcomes which was implemented by 2015.



2014

JUNE

Guardian Presence Raised Throughout K'ómoks Territory

As part of their Guardian Watchmen start-up, K'ómoks First Nation consulted with Elders to develop a plan for raising 10 Guardian poles throughout the K'ómoks traditional territory.



2014

SEPTEMBER

100th Project Funded

Gitga'at First Nation invested in high-speed broadband internet throughout the community of Hartley Bay. The investment had many positive benefits including helping local businesses increase their online presence, introducing tele-health provisions to the remote community, and positioning the Nation to provide ongoing emergency response services in the region.



2016

FEBRUARY

Great Bear Rainforest Agreements Announced

First Nations sign the Great Bear Rainforest land-use order which ensures 85% of the forests in the region will be protected from industrial-scale logging. The agreements also address cultural resources, freshwater ecosystems, and wildlife habitat. The region would continue to be stewarded by First Nations, with support from the Coast Funds conservation fund.



2016

SEPTEMBER

First Nations Announce over \$200M Invested

First Nations and Coast Funds announce over \$200 million in total new investment has been made since Coast Funds' inception to develop and diversify British Columbia's coastal economy.



2010

MAY

First Economic Development Corporation Funded

The Hailzaqv (Heiltsuk) Tribal Council transferred its businesses to the recently formed Heiltsuk Economic Development Corporation, thus building a solid foundation to continue growing and sustainably pursuing prosperity for its members.



2011

JULY

First Entrepreneur Funded

Bonnie Stanley worked with Coast Funds to expand her catering business and start a seafood restaurant in the Nisga'a Village of Gingolx. Her restaurant, U See Food U Eat It, has gained international attention and each year customers return from across the world.



2011

JULY

Eleven Protected Area Management Plans Published

With support from Coast Funds, the Council of the Haida Nation worked with the province to produce protected area management plans through its new heritage and natural resources program.



2011

SEPTEMBER

First Talking Stick Published

To share the successes, challenges and lessons learned from First Nations' projects, Coast Funds created the Talking Stick, published in communities throughout the Great Bear Rainforest and Haida Gwaii.



2017

MARCH

Economic Fund Continues

After engaging with First Nations along the coast, it was evident the economic fund continued to be a well-managed and vital source of financing in the creation of a sustainable economy. First Nations expressed many plans to fully invest their allocations and so Coast Funds and the Province of BC agreed to continue the fund's operation.



2017

MAY

Planning for Sustainable Stewardship

Coast Funds Executive Director begins engaging with First Nations and Funders to discuss their vision for the conservation endowment fund and sustainable, long-term finance for stewardship programs in the region.



2018

OCTOBER

Conversations on Recapitalizing Coast Funds

Dialogue on the success of stewardship programs, the need for sustainable finance solutions, and the success of the Coast Funds model lead First Nations and Funders to a discussion of options for raising new funds to build on Coast Funds' future conservation finance capacity.



2018

DECEMBER

10 Years of Conservation Finance

After 10 years of approving project funding in the Great Bear Rainforest and Haida Gwaii, \$81.6 million from Coast Funds has been invested into 353 First Nations-led conservation and sustainable economic development projects.

BUILDING A RESILIENT COASTAL ECONOMY

Through its economic development fund, Coast Funds supports First Nations' ongoing efforts to build a resilient coastal economy. In the 10 years since Coast Funds began supporting economic development in the Great Bear Rainforest and Haida Gwaii, First Nations have made great strides in strengthening and diversifying their economies. Below are some highlights from 10 years of sustainable economic development initiatives led by First Nations, with support from Coast Funds.



Tourism

176

JOBS CREATED

\$45M

INVESTED

35

TOURISM
BUSINESSES CREATED
AND EXPANDED

Sustainable Aquaculture

56

JOBS CREATED

\$24M

INVESTED

9

AQUACULTURE
BUSINESSES CREATED
AND EXPANDED

Economic Development Corporations

155

JOBS CREATED

\$13M

INVESTED

20

DEVELOPMENT
CORPORATIONS
CREATED AND
EXPANDED

Manufacturing and Processing

348

JOBS CREATED

\$27M

INVESTED

18

BUSINESSES CREATED
AND EXPANDED

PHOTO CREDITS: Laura Hope, Marine Partnership Plan, Coast Funds, Great Bear Essential Oils

DEVELOPING AND SUSTAINING PERMANENT CONSERVATION



COAST FUNDS

Coast Funds' conservation endowment fund was created to support First Nations' permanent stewardship of their territories. Through their conservation initiatives and management of resources and protected areas, First Nations are stewarding their territories as they have for millennia. Through the conservation fund, First Nations have built current and future capacity for their Guardian Watchmen, integrated resource management departments, and other regional monitoring programs. Below are some highlights from 10 years of conservation initiatives led by First Nations with support from Coast Funds.



Conservation Economy

240

PERMANENT
JOBS CREATED

\$78M

INVESTED

Stewardship Certifications

67

STEWARDSHIP
TECHNICIANS
CERTIFIED

78

MARINE EMERGENCY
RESPONSE
CERTIFICATIONS

Guardian Watchmen & Regional Monitoring

14

PROGRAMS
ESTABLISHED

\$2.3M

MORE THAN
2.3M HECTARES
MONITORED

Species Research & Habitat Restoration

222

INITIATIVES

46

RESEARCH AND
RESTORATION
PROJECTS FOCUSED
ON SALMON

19

RESEARCH AND
RESTORATION
PROJECTS FOCUSED
ON BEARS

PHOTO CREDITS: Laura Hope, Andrew S. Wright, Alishia Boulette, Mike Jacobs

COMMUNITY WELL-BEING OUTCOMES

Every Coast Funds-supported project contributes to strengthening well-being in First Nations communities throughout the Great Bear Rainforest and Haida Gwaii. Together with First Nations, we measure outcomes by tracking 20 indicators of environmental conservation, economic prosperity, social empowerment, and cultural vitality.


Social Empowerment

As a key element of conservation and economic development initiatives, **First Nations have invested \$40.5 million in local family-supporting salaries through projects supported by Coast Funds.**

Incomes provided from sustainable economic development and conservation projects help ensure that First Nations members don't have to leave their communities to find jobs. Eddie Walkus, a Gwa'sala-'Nakwaxda'xw member, works for his Nations' water taxi business. He used to drive a truck, having to travel long distances from his community.

Today, he says he is thankful to be working in an important role for his Nations that allows him to spend so much time in his homelands.

In the Nass Valley, an oolichan research project undertaken by Nisga'a Lisims Government provides year-round employment for technicians who were previously seasonally employed. Fisheries work is often seasonal, points out researcher Cam Noble, who worked on the oolichan project. He says year-round employment is "almost unheard of in our business up [in the Nass Valley]."



Wayenk (Ivan), a Sūa Youth Cultural Ambassador, welcomes guests of Spirit Bear Lodge to the Kitasoo/Xai'xais big house in Klemtu.

PHOTO COURTESY
Spirit Bear Lodge



Economic Prosperity

First Nations in the Great Bear Rainforest and Haida Gwaii are leading the revitalization of their economies and ensuring resilience through diversification.

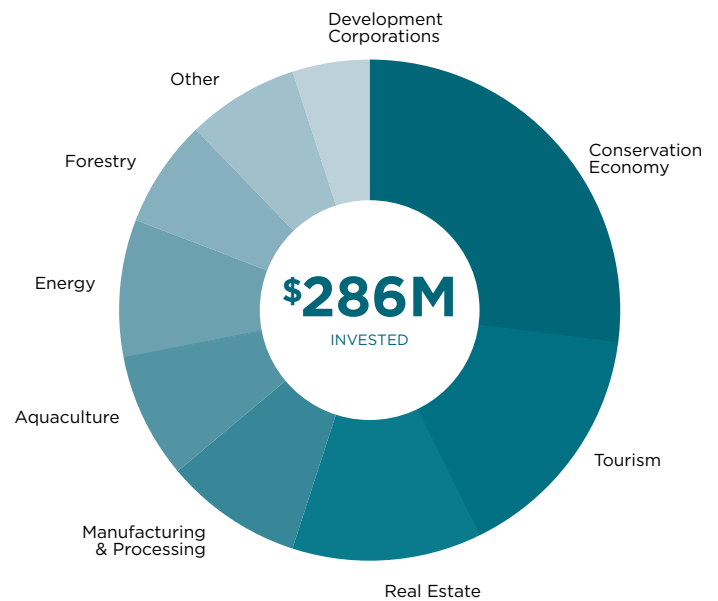
With support from Coast Funds, First Nations have invested over \$286 million into the diversification of their economies.

Diversification means supporting innovative businesses, creating conservation capacity, growing employment and skills training for community members, and ensuring benefits from businesses are returned to the Nations and their community members.

Tourism has been a growing sector of many First Nations' economies. Spirit Bear Lodge, for example, is the second largest employer in the Kitasoo/Xai'xais community of Klemtu (Klemdulxk). It provides employment for youth and women that may be under-represented in other sectors.

By investing in a range of economic sectors First Nations in the Great Bear Rainforest and Haida Gwaii are strengthening their economies and reducing community reliance on single industries.

INVESTING TO DIVERSIFY BRITISH COLUMBIA'S COASTAL ECONOMY



Ben Gonu and Chandra Barton analyze oolichan larvae and eggs during a research project undertaken by Nisga'a Lisims Government, supported by Coast Funds.

PHOTO BY

Gary Fiegehen, courtesy Nisga'a Lisims Government

COMMUNITY WELL-BEING OUTCOMES

Environmental Conservation

Through their Coast Funds investments, **First Nations have established 14 Guardian Watchmen and regional monitoring programs.** Those programs cover an average of 2.3 million hectares annually.

Coast Funds' conservation endowment fund was created to provide resources to operate stewardship programs, like the Guardian Watchmen, in perpetuity. It has proven to be a hugely successful model for financing First Nations stewardship.

Guardian Watchmen have often been called the “eyes and ears” of their communities. Patrolling the lands and waters of their territories, **the men and women of the Guardian programs protect and monitor their Nations' resources and cultural assets.**

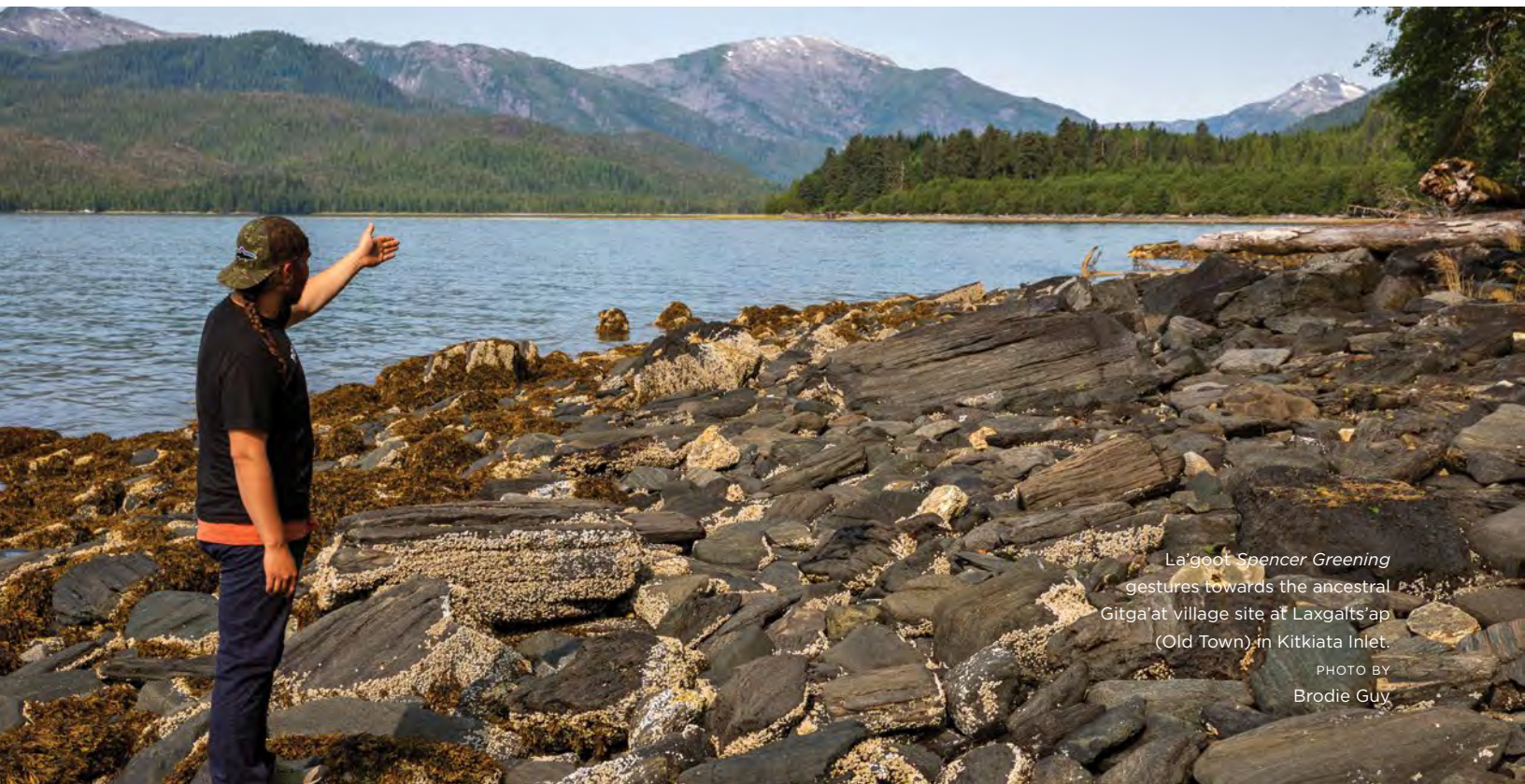
Wii Hai Waas *Arnold Clifton*, Chief Councillor of the Gitga'at First Nation emphasizes the importance of the Guardian work: “It's now more important than ever to ensure that the traditional use knowledge we possess, as Gitga'at people and as Tsimshian people, is passed on so that future generations can continue to protect our natural resources.”

The Gitga'at Guardians, for example, have collected audio samples to establish an acoustic baseline for their territory. The measurements help indicate ecosystem health and can help track the impacts of industrial activity. That information can be used to guide future decisions.

“We aren't just talking about traditional stewardship, we are living it, strengthening our ability to govern and watch over the territory, and ensuring that our vision for it is alive and well.”

– LA'GOOT *SPENCER GREENING*, GITGA'AT RESEARCHER

Whether it's collecting DNA from the genetically unique Spirit Bear, working closely with Elders to pass on traditional knowledge, creating jobs for community members, or protecting species from illegal poaching and over-harvesting, **the Guardian programs of the Great Bear Rainforest and Haida Gwaii play an integral role in strengthening community well-being.**



La'goot *Spencer Greening* gestures towards the ancestral Gitga'at village site at Laxgalts'ap (Old Town) in Kitkiata Inlet.

PHOTO BY
Brodie Guy



Cultural Vitality

First Nations are enabling Elders to transfer cultural and stewardship knowledge to youth through a wide range of projects.

First Nations have led 64 projects with support from Coast Funds to facilitate the transfer of Elder knowledge to youth.

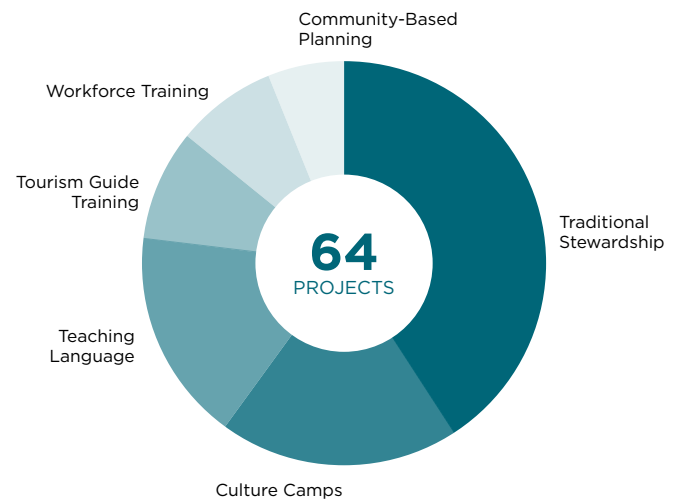
First Nations have rich oral traditions and customs which make up their unique cultural identities.

First Nations are working to ensure that the lessons, history, language, and knowledge of their cultures are passed from Elders to youth to maintain the traditions of each Nation into the future. The teachings of Elders and education of youth enables young people to become the future stewards of their territory and knowledge-holders of their Nations' cultures.

Projects like the Homalco Wildlife Tours train staff, made up largely of youth from the community, to run cultural tours that showcase the history, language, songs, stories, and dances of Xwémalhkwa (Homalco)

First Nation. The three-week training program for staff helps to reinvigorate members' connection to their culture.

PROJECTS WITH KNOWLEDGE TRANSFER FROM ELDERS TO YOUTH



"We have drumming practices that are open to everyone. The number of participants is increasing every time, especially with youth joining. Knowing that they will grow up knowing our culture makes me very proud of the work that we do. Reviving our culture would not be possible without a supportive team, including contributions from Coast Funds."

Dorothy Andrew, former Councillor,
Xwémalhkwa (Homalco) First Nation



Dorothy Andrew and Maryanne
Evenoldsen, former Councillor and
former Chief Councillor of Xwémalhkwa
(Homalco) First Nation.

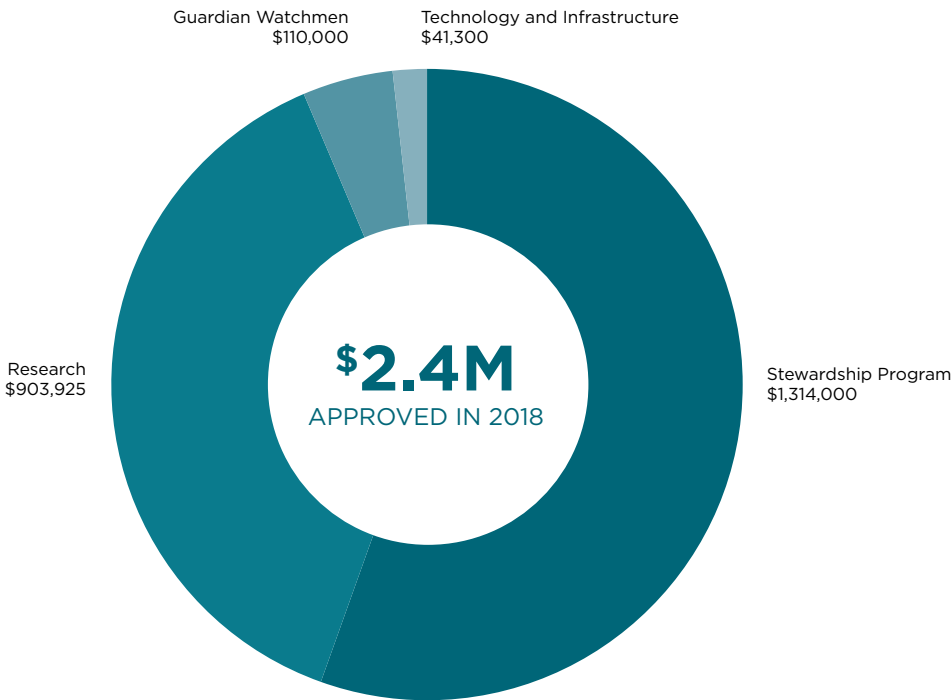
PHOTO BY
Tricia Thomas, Salish Eye

2018 Highlights

In 2018, Coast Funds approved \$2,369,225 towards 13 conservation projects. This is anticipated to leverage \$7,014,729 in additional funding for total new investment of \$9,383,954. Long-term outcomes that First Nations anticipate these projects will generate include:

- The expansion of eight stewardship or Guardian Watchmen programs and support for five project-based conservation initiatives;
- Creation of 25 permanent jobs, including 21 new jobs employing First Nations individuals;
- Ongoing support of organizations that provide 209 permanent jobs, including 187 jobs employing First Nations individuals in the region;
- Work in 41 protected areas that will include infrastructure upgrades, monitoring and conservancy management, field research, habitat restoration, development of conservation management plans, and the review of permit applications in terms of ecosystem-based management; and
- Research and habitat restoration projects focusing on 28 different species, including keystone species like eulachon and salmon.

APPROVED CONSERVATION FUNDING IN 2018





Guardian Watchmen from Da'naxda'xw
First Nation patrol Knight Inlet. In 2018,
the Nation built three new Guardian cabins,
with support from Coast Funds.

PHOTO BY
Melanie Clapham/BearID Project

“Nanwakolas member First Nations have been strengthening community well-being by creating new aquaculture, ecotourism, and manufacturing business start-ups in partnership with Coast Funds. By creating the Ha-ma-yas Stewardship Network and a number of Guardian programs, we are also leveraging conservation finance to protect cultural heritage resources and to uphold the strength and integrity of member First Nations' Aboriginal Rights and Title.”

Dallas Smith, President Nanwakolas Council

CONSERVATION FUNDING APPROVED IN 2018



Council of the Haida Nation

Development of a Haida National Plan and Recovery Strategy for Stads K'un (Northern Goshawk)

\$185,325 approved

To develop an Islands-based recovery strategy for the endangered Stads K'un (northern goshawk), the national bird of Haida Gwaii, including population monitoring of known nests, inventories of potential habitat, habitat recruitment and restoration, introduced species mitigation (Norway rats, black rats, Sitka black-tailed deer, pine marten, blue grouse), and proper foraging habitat management.



Council of the Haida Nation

Yakoun River Chinook and Sockeye Salmon Sonar-Based Escapement Monitoring Project

\$160,000 approved

To purchase and operate Adaptive Resolution Imaging Sonar (ARIS) to enumerate chinook and sockeye salmon and to improve estimates of coho and pink salmon escapement on the Yakoun River, Haida Gwaii.



Da'naxda'xw First Nation

Construction of Guardian Watchman Cabins in Knight Inlet

\$41,300 approved

To construct three Guardian Watchmen cabins at Hunwatti, Sim Creek and Tousum Island in order to improve regional monitoring efforts, research projects, and the safety of Da'naxda'xw/Awaetlala stewardship operations throughout Knight Inlet.



Gitga'at First Nation

Gitga'at Oceans and Lands Department - 2018/19 Operations

\$125,000 approved

To support operations of the Gitga'at Oceans and Lands Department including applying Gitga'at adaawx and ayaalk (Indigenous knowledge) to resource management; working collaboratively with partners to finalize agreements related to marine protected area planning; implementing land use planning agreements including conservancy management planning for Bishop Bay/Monkey Beach, K'Waal, Alty, and K'tii/Racey; preparing landscape reserve plans with BC Timber Sales and private forest companies; constructing a new Guardian Watchmen cabin at K'yel; upgrading the Hartley Bay salmon hatchery facility, and maintaining regular watch at Lax Galts'ap (Old Town).



Gwa'sala-'Nakwaxda'xw First Nation

Stewardship Program - 2018/19 Operations

\$180,000 approved

To support all aspects of the Guardian Watchmen program and resource management programs including habitat assessments and abundance surveys such as steelhead and chum salmon monitoring; grizzly and black bear hair surveys in Nekite Estuary West Biodiversity Area and Nekite River watershed; biological data collection of Long Lake sockeye in Tsa-Latl/Smokehouse Conservancy; and abalone and herring stock delineation and status in Ugiwa'/Cape Caution Conservancy.



Haisla Nation Council

Haisla Fisheries Commission - 2018/19 Operations

\$150,000 approved

To support Fisheries Commission operations including doubling cultural camp capacity at Weewanie Wa'wais to provide opportunities for 40 Haisla youth; completing site monitoring throughout the territory including salmon stock assessments and monitoring of outfitter activities in the Huchsduwachsd Nuyem Jeas (Kitlope Heritage Conservancy); undertaking eelgrass research in the Douglas Channel to explore possible regeneration sites; and ensuring Nuyems (Haisla traditional laws) are incorporated into resource management and development decisions.



Heiltsuk Tribal Council
Heiltsuk Integrated Resource
Management Dept. - 2018/19
Operations

\$474,000 approved

To support operations of the Heiltsuk Integrated Resource Management Department (HIRMD) including work on five conservancy management plans; continuing implementation of the Coastal Reconciliation Protocol; completing the first Heiltsuk Oceans Act; developing a process for responding to Fisheries and Oceans Canada plans; continuing research on Yagla (kelp) reproduction and growth; implementing the new HIRMD Strategic Plan; and continuing partnerships with Hakai Beach Institute and Simon Fraser University.



Kitasoo Band Council
Resource Stewardship
Program - 2018/19 Operations

\$335,000 approved

To support operations of the Resource Stewardship program that includes: research on bear population dynamics and distribution in the Nation's territory; salmon enumeration in 23 watersheds and non-invasive salmon DNA collection/analysis; research into new forms of protected area governance; cultural feature identification surveys; new protocol agreements with forestry and tourism operators; and continued funding of youth stewardship through the Supporting Emerging Aboriginal Stewards program.



Kwiahah First Nation
Assessment of Seaweed
Abundance and Spatial
Distribution

\$10,000 approved

To undertake comprehensive research of Kwiahah First Nation's marine environment to determine biomass and abundance for seaweed species, a project that will inform decisions related to commercial harvesting operations in the territory; spatially map seaweed resources; and identify locations ideal for Kwiahah to culture marine seaweeds.



Lax Kw'alaams Band
Fisheries Stewardship
Program - 2018/19 Operations

\$160,000 approved

To support operations of the Fisheries Stewardship program, continue juvenile salmonid habitat monitoring in the Skeena River estuary and Chatham Sound; monitor and conduct eulachon enumeration in the Kw'aa-Estall Biodiversity Area and Ecstall Sparkling Conservancy; continue abalone abundance surveys in Lax Kwaxl Conservancy; and continue crab monitoring, shellfish biotoxin monitoring, and community outreach efforts.



Mamalilikulla First Nation
Guardian Watchman
Program - 2018 Operations

\$110,000 approved

To support continued regional monitoring operations in the Broughton Archipelago with new investment in dedicated Guardian Watchmen infrastructure on Village Island, continued aquaculture-related intertidal assessments, research at Port Elizabeth on invasive blue mussels, water chemistry analysis throughout the territory in partnership with Hakai Research Institute, kelp and eelgrass surveys, and ongoing contribution to the Ha-ma-yas Stewardship Network.



Metlakatla Governing Council
Conservancy Management
Planning and Start-up of a
Lands Guardian Program

\$200,000 approved

To establish a new Environmental Stewardship Initiatives Department that will establish a new lands-based Guardian program in Metlakatla territory, focusing its conservancy management efforts on Khtada Lake and Kyex Conservancy in the first year of its operations.



Nisga'a Lisims Government
Mountain Goat Population
Inventories in the Nass
Wildlife Area

\$238,600 approved

To undertake an aerial-based survey of mountain goat escape terrain in the Nass Wildlife Area in order to establish new inventory data on the distribution and numbers of mountain goats, in order to update a 20-year old data set used by the Nass Wildlife Committee to set the Total Allowable Harvest and resulting Food, Social, and Ceremonial allocation for Nisga'a, citizens and other First Nations.

ECONOMIC DEVELOPMENT FUND

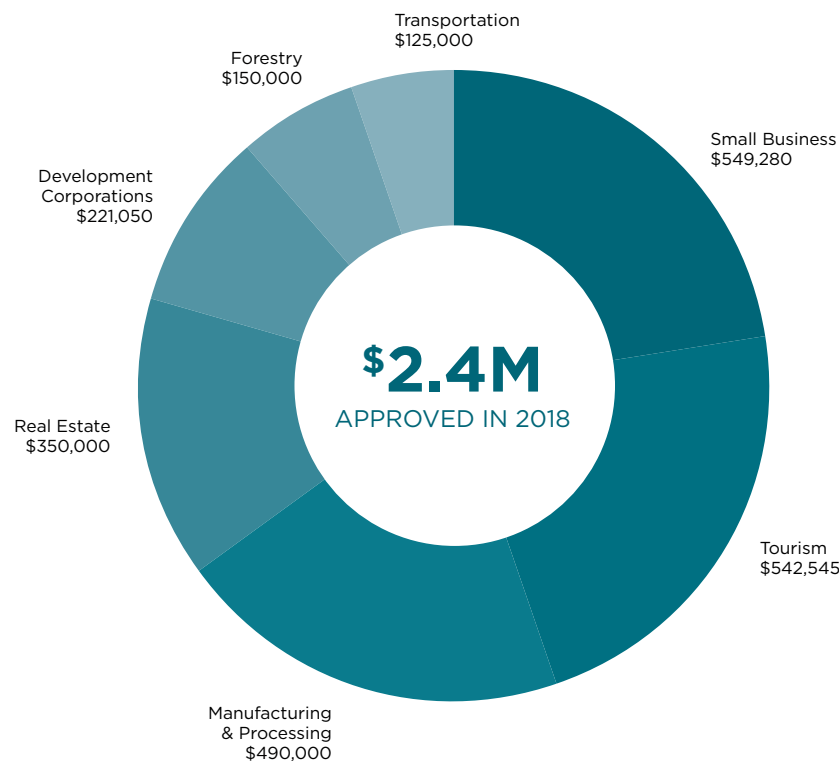
2018 Highlights

In 2018, Coast Funds approved \$2,427,825 towards 10 economic development projects. These projects are anticipated to leverage \$2,734,064 in additional funding for total new investment of \$5,161,939.

The long-term outcomes that First Nations anticipate these projects will generate include:

- Creation of five new businesses including the acquisition of a marina and lodge and the expansion of two existing First Nations owned and operated businesses;
- A total investment from all projects of \$4 million into permanent community infrastructure to benefit entrepreneurs and local businesses;
- Creation of 39 permanent jobs including 33 jobs employing First Nations in the region; and
- Support for operations of organizations that provide 12 permanent jobs, including 11 jobs employing First Nations in the region.

APPROVED ECONOMIC DEVELOPMENT FUNDING IN 2018



A man, Bert Mercer, stands in the snow in front of the Vetter Falls Lodge. The lodge is a large, multi-story wooden building with a prominent balcony and a red roof. The ground is covered in snow, and the sky is blue with some clouds.

“With support from Coast Funds, the Nisga’a Lisims Government has expanded the tourism industry in the Nass Valley, raising the profile of our entrepreneurs, and reinforcing our sovereignty and our culture.”

Bert Mercer, Economic Development Manager,
Nisga’a Lisims Government.

Bert Mercer, economic development manager for the Nisga’a Lisims Government stands outside the Nisga’a-owned Vetter Falls Lodge, shortly before its grand opening in June 2018.

PHOTO BY
Laura Hope

ECONOMIC DEVELOPMENT FUNDING APPROVED IN 2018



Dzawada'enuxw First Nation

Acquisition of Pierre's
Marina and Lodge at Echo Bay

\$350,000 approved

To acquire the largest full service marina in the Broughton Archipelago located on Gilford Island; to operationalize the business under Dzawada'enuxw Development Corporation; and to invest in necessary improvements that will enable the creation of secondary businesses showcasing Dzawada'enuxw First Nation territory, art, and culture.



Gitga'at Development Corporation

Start-up of Gitga'at Laundromat
Services in Prince Rupert

\$300,000 approved

To revitalize and renovate a commercial unit to support the success of the Gitga'at Development Corporation-owned building in Prince Rupert by establishing a laundromat business that will generate income and employment for Gitga'at First Nation members.



Hamatsa Reforestation Ltd.

Silviculture Business Start-up

\$150,000 approved

To acquire equipment and begin operations for a new silviculture business based in Rivers Inlet; the business will provide employment and training opportunities to members of the Wuikinuxv community while helping to sustainably manage forests in Wuikinuxv territory.



Heiltsuk Economic Development Corporation

Heiltsuk Economic Development
Corporation -2018/19 Operations

\$221,050 approved

To support operations of the Heiltsuk Economic Development Corporation and its seven subsidiary companies including providing skills development for the First Nations Business Advisory Services team, recruiting senior management positions, and having an active role in the reconciliation process as it relates to economic development.



Homalco First Nation

Restructuring of Homalco
Wildlife Tours

\$16,045 approved

To restructure the cultural tourism program of Homalco Wildlife Tours to improve its revenues and create a more economically sustainable program while supporting employment for Homalco community members.



Kwikwasut'inuxw Haxwa'mis First Nation

Pre-development for Nawalakw
Experience Centre and Lodge

\$36,500 approved

To complete pre-development work to secure necessary tenure and permit requirements for the planned construction and operation of a new cultural experience centre and lodge to be located within Hunwadi/Ahnuhati-Bald Conservancy in Bond Sound.



Nisga'a Lisims Government

Improvements to Boat Launch
and Wharf Infrastructure

\$125,000 approved

To invest in infrastructure to improve the primary boat launch and wharf with access to Portland Inlet and to establish a new fee structure for moorage and improved dock services that will maintain and expand commercial activity from fishing charter operators, ecotourism guides and retail businesses in Gingolx village.



Nuxalk Nation

Nuxalk Longhouse Restaurant and Gift House Construction - Phase 2

\$249,280 approved

To complete the second phase of construction for the new restaurant that is located in the centre of Bella Coola that will be leased to a local entrepreneur and will also showcase Nuxalk culture, attract tourists, and provide employment and training opportunities to Nuxalk community members.



Nuxalk Nation

Concrete Batching Plant Infrastructure and Start-up

\$490,000 approved

To invest in the infrastructure and start-up of a new concrete batching plant in Bella Coola that will provide cost savings on construction projects and employment and training opportunities to Nuxalk community members.



Nuxalk Nation

Longhouse Cabins on the Bella Coola River - Construction and Start-up

\$490,000 approved

To expand the recently acquired Bella Coola Motel by building 10 unique, longhouse-inspired cabins along the Bella Coola River; the cabins will capitalize on Nuxalk Nation's expanding hospitality industry—including the nearby longhouse restaurant, and capture the increase in visitor traffic expected from the return of ferry service to Bella Coola.

FINANCIAL PERFORMANCE

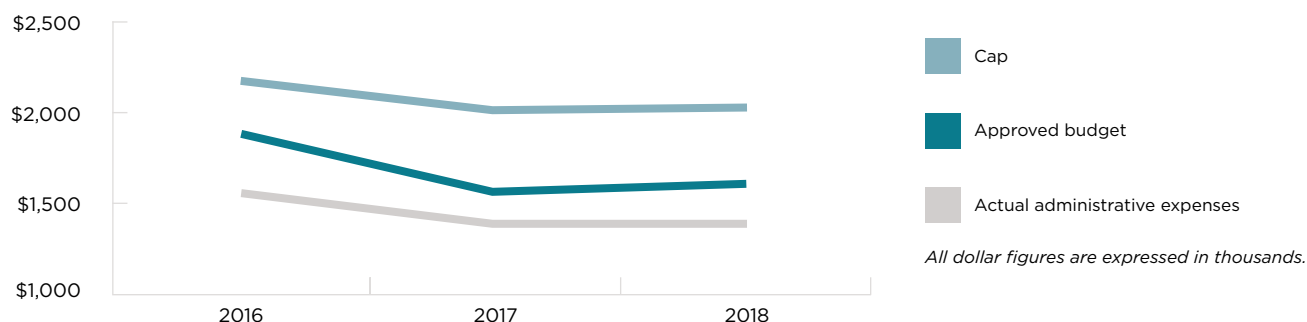
2018 Highlights

Coast Funds strives to adhere to best practices in corporate governance while ensuring its operations are efficient and cost effective. In 2018, the following were noted in finance and administration:

- The Coast Economic Development Society (the economic development fund) provided awards of \$2.3 million and the Coast Conservation Endowment Fund Foundation (the conservation fund) provided awards of \$2.4 million.
- The conservation fund's infrastructure and global equity portfolios performed well relative to their benchmark, thus driving the fund to outperform the benchmark over the year by 0.9%. Due to the performance of Canadian equities in the fourth quarter of 2018, the conservation fund performed below the 2018 target of 4.6% by 1.2%.
- The economic development fund is invested significantly more conservatively than the conservation fund given its short time frame (i.e. entirely invested in fixed income by the end of 2018) resulting in lower returns than a more diversified portfolio. The economic development fund's investment income performance for 2018 was 1.1%, trailing the benchmark by 0.9% and trailing the 2018 target by 1.7% due to the performance of Canadian equities and limited diversification of the portfolio.
- Coast Funds complied with all statutory, regulatory, and governing document agreements, as well as all policies and bylaws. In 2018, the board implemented positive Indigenous screens in the Canadian bonds portfolio in accordance with a Coast Funds' governing document (the Conservation Investments and Incentives Agreement, Investment Screens, section 4.1.1).

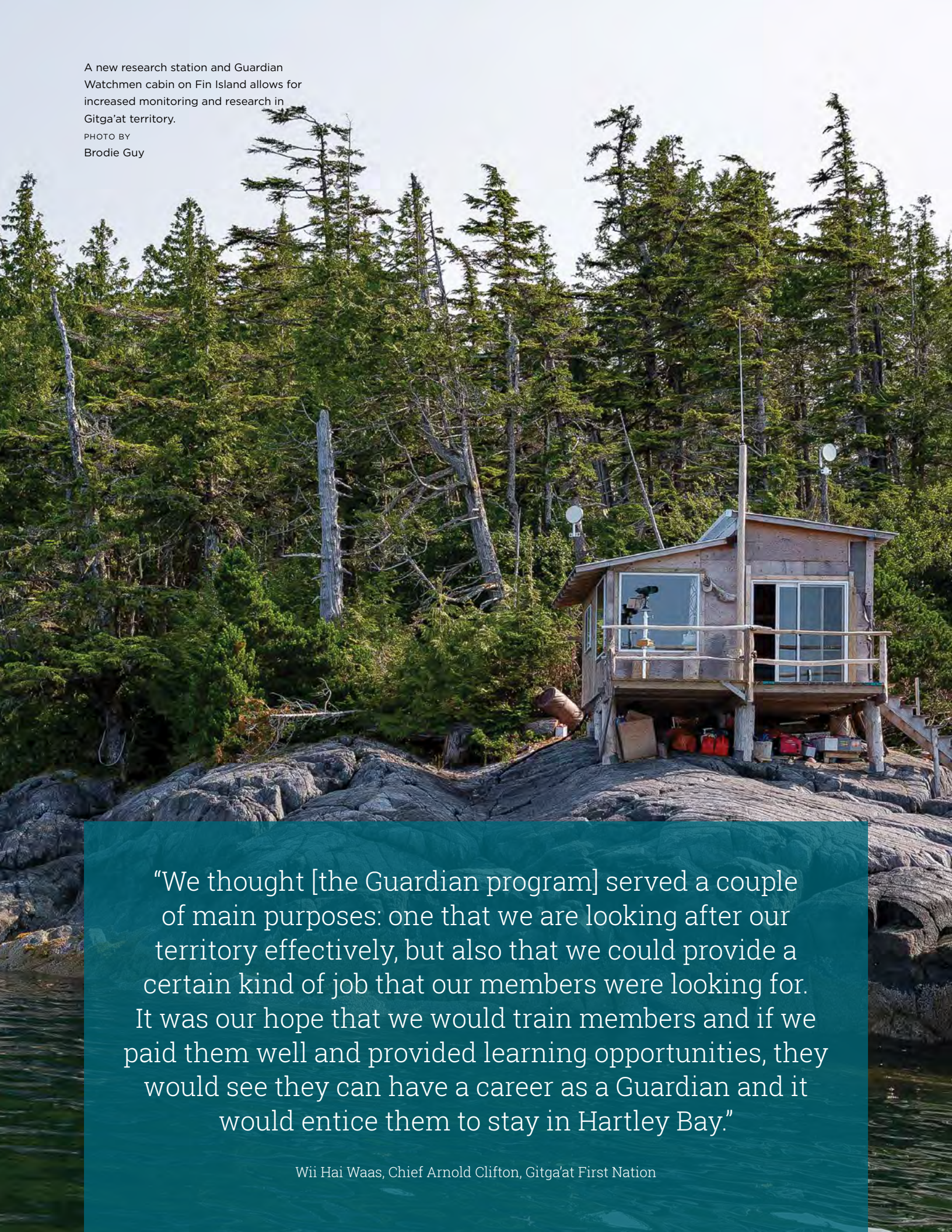
Combined Operating Expenses of Both Funds

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 funds. In addition, administration costs have been below budget for each of the three years.



A new research station and Guardian Watchmen cabin on Fin Island allows for increased monitoring and research in Gitga'at territory.

PHOTO BY
Brodie Guy



"We thought [the Guardian program] served a couple of main purposes: one that we are looking after our territory effectively, but also that we could provide a certain kind of job that our members were looking for. It was our hope that we would train members and if we paid them well and provided learning opportunities, they would see they can have a career as a Guardian and it would entice them to stay in Hartley Bay."

Wii Hai Waas, Chief Arnold Clifton, Gitga'at First Nation

CONSERVATION FUND PERFORMANCE

Results from Operations

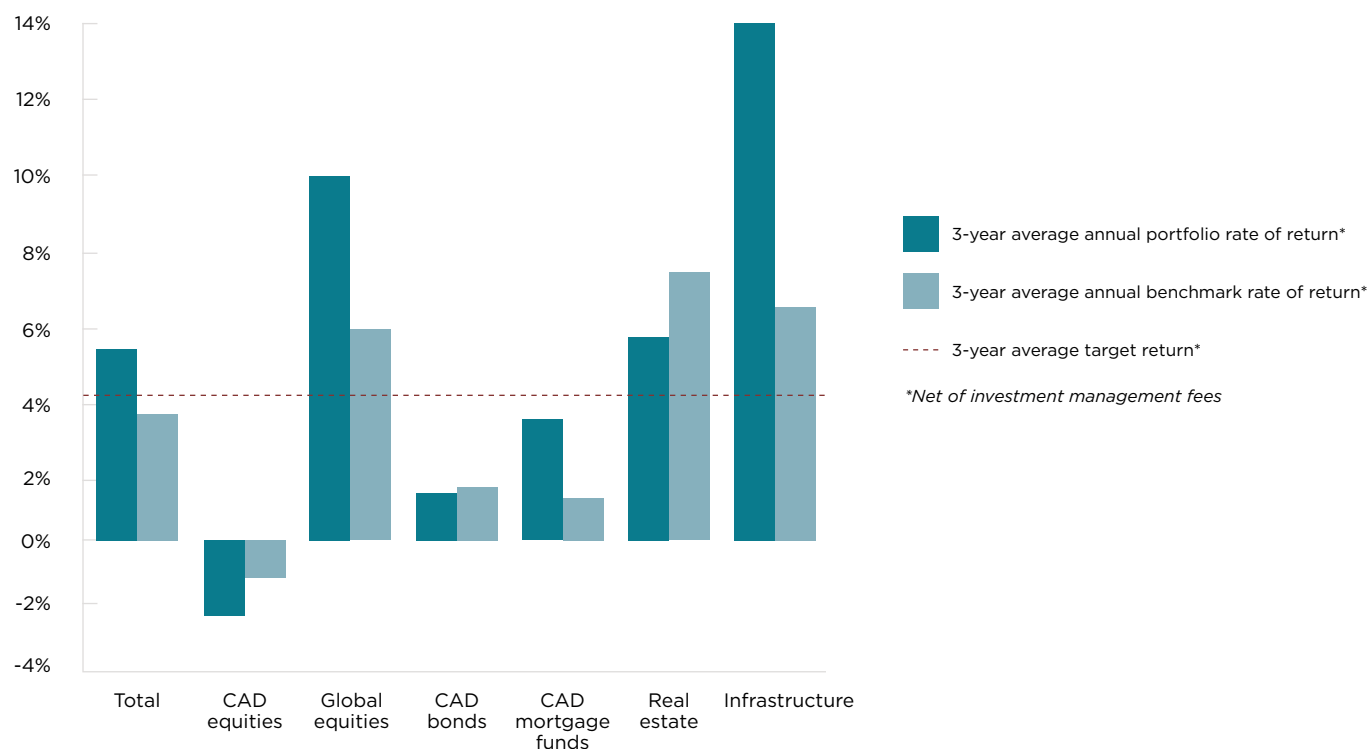
In 2018, the excess of revenue over operating expenses was \$285,000. While investment income has been volatile over the last three years, operating expenses remain relatively stable from year to year. The conservation fund did not access its reserves to support its operations though the fund experienced lower returns than prior years.

Investment Income

The conservation fund's allocation mix was further diversified in 2018, consisting of a targeted long-term target asset mix with 10% Canadian equities, 25% global equities, 12.5% Canadian bonds, 12.5% mortgages, 20% real estate, and 20% infrastructure.

In 2018 the overall rate of return was 3.4%, 0.9% higher than the 2018 benchmark. The funds' average annual rate of return for the last three years was 5.4%, which is higher than the benchmark's three-year average annual rate of return of 3.7%.

The Foundation monitors the performance of its investment managers by comparing actual rates of return to benchmarks based on market returns.

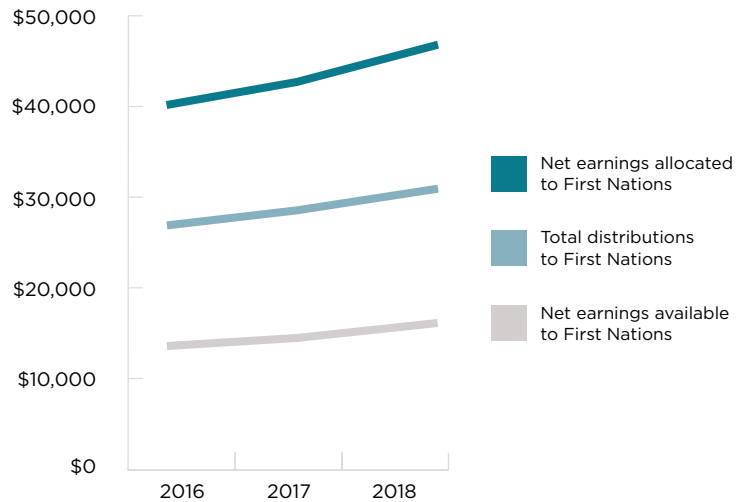




Annual Allocation of Funds and Disbursement

Although the annual payments to First Nations have generally increased year over year, many First Nations continue to hold allocations for future use. Coast Funds anticipates that the gap between payments out and allocations held will close over the coming years as First Nations continue to build stewardship offices and identify conservation initiatives.

The revenue and regional conservation funds totalled \$20.8 million at December 31, 2018, of which \$16.5 million has been allocated to First Nations but not yet disbursed to approved conservation programs or projects. The remaining balance of \$4.3 million has been set aside for future disbursement, including reserves of \$4 million.



All dollar figures are expressed in thousands.

CONSERVATION FUND: YEARLY FUND BALANCES

From 2008 to 2018, the conservation fund has provided First Nations with over \$30 million in awards.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Opening Fund Balance	\$58,371	\$64,823	\$68,258	\$66,829	\$69,305	\$73,783	\$75,425	\$73,434	\$74,978	\$78,992
Contributions	15	4	10	11	13	11	11	10	10	60
Net Investment Income	7,677	5,877	1,393	6,008	9,166	8,178	3,803	5,114	6,846	700
Operating Expenses	(228)	(316)	(399)	(478)	(427)	(384)	(525)	(495)	(472)	(471)
Awards Expense	(1,012)	(2,130)	(2,433)	(3,065)	(4,275)	(6,163)	(5,278)	(3,085)	(2,370)	(2,412)
Closing Fund Balance	\$64,823	\$68,258	\$66,829	\$69,305	\$73,783	\$75,425	\$73,434	\$74,978	\$78,992	\$76,865

All dollar figures are expressed in thousands.

CONSERVATION FUND PERFORMANCE



**COAST
FUNDS**

COAST CONSERVATION
ENDOWMENT FUND
FOUNDATION

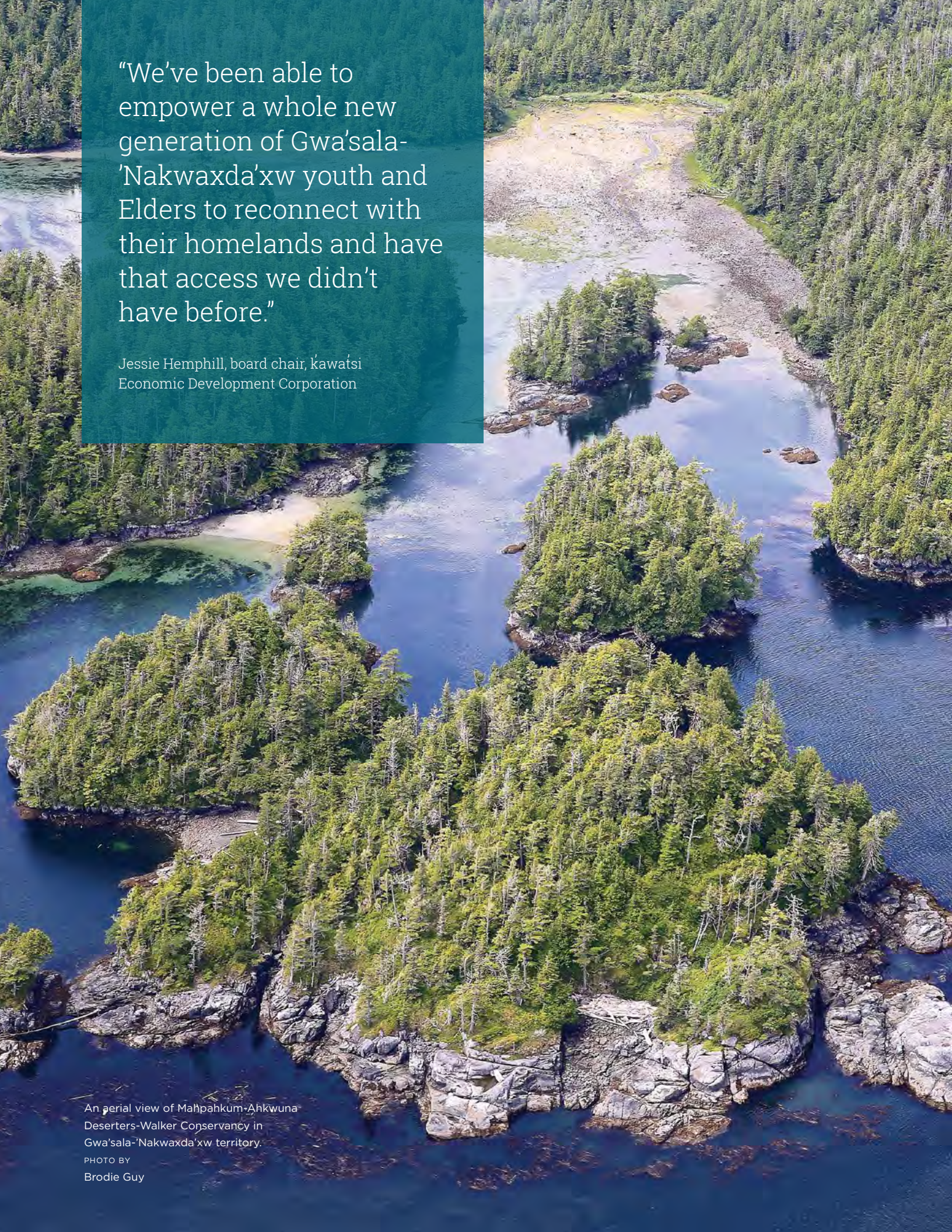
Statement of Financial Position at December 31, 2018

	2018	2017
Assets		
Current assets		
Cash	\$ 2,126,730	\$ 2,431,151
Prepaid expenses	12,018	9,635
Government and other receivables	19,668	26,370
Short-term investments	-	51,718
	<u>2,158,416</u>	<u>2,518,874</u>
Property and equipment	10,313	12,883
Intangible asset	15,276	38,189
Investments	76,671,954	78,271,269
	<u>\$ 78,855,959</u>	<u>\$ 80,841,215</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities	\$ 88,439	\$ 66,257
Deferred revenue	62,500	-
Due to Society	191,239	80,007
Accrued award distribution	1,648,465	1,702,748
	<u>1,990,643</u>	<u>1,849,012</u>
Net assets		
General	86,618	80,987
Externally restricted		
Revenue fund	20,790,873	22,923,391
Regional conservation planning fund	159,210	159,210
Conservation endowment fund	55,828,615	55,828,615
	<u>76,865,316</u>	<u>78,992,203</u>
	<u>\$ 78,855,959</u>	<u>\$ 80,841,215</u>

Statement of Operations and Changes in Net Assets at December 31, 2018

	General	Revenue fund	Regional conservation planning fund	Conservation endowment fund	2018 Total	2017 Total
Revenue						
Contributions	\$ 56,000	\$ -	\$ -	\$ -	\$ 56,000	\$ 10,400
Net investment income	-	699,547	-	-	699,547	6,846,034
	<u>56,000</u>	<u>699,547</u>	<u>-</u>	<u>-</u>	<u>755,547</u>	<u>6,856,434</u>
Expenses						
Administration	12,700	13,255	-	-	25,955	5,795
Awards	-	2,411,606	-	-	2,411,606	2,369,614
Capacity	-	-	-	-	-	15,790
Communications	-	18,538	-	-	18,538	-
Cost sharing with the Society	-	166,498	-	-	166,498	241,586
Facilities and equipment	-	144,300	-	-	144,300	152,952
Personnel	37,669	-	-	-	37,669	-
Professional fees	-	77,868	-	-	77,868	56,635
	<u>50,369</u>	<u>2,832,065</u>	<u>-</u>	<u>-</u>	<u>2,882,434</u>	<u>2,842,372</u>
Excess (deficiency) of revenue over expenses	5,631	(2,132,518)	-	-	(2,126,887)	4,014,062
Net assets, beginning of year	80,987	22,923,391	159,210	55,828,615	78,992,203	74,978,141
Net assets, end of year	<u>\$ 86,618</u>	<u>\$ 20,790,873</u>	<u>\$ 159,210</u>	<u>\$ 55,828,615</u>	<u>\$ 76,865,316</u>	<u>\$ 78,992,203</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 AT www.coastfunds.ca/resources/annual-reports/

An aerial photograph of a coastal area. In the foreground, a large, irregularly shaped island is covered in dense green forest. The island's edge is rugged and rocky, meeting the dark blue water of a bay or fjord. Several smaller, similarly forested islands are scattered throughout the water. A river or stream flows through the upper right portion of the image, its banks also lined with dense forest. The water appears calm, reflecting the surrounding greenery and sky. The overall scene depicts a pristine, natural landscape.

“We’ve been able to empower a whole new generation of Gwa’sala-’Nakwaxda’xw youth and Elders to reconnect with their homelands and have that access we didn’t have before.”

Jessie Hemphill, board chair, kawatsi
Economic Development Corporation

An aerial view of Mahpahkum-Ahkwuna
Deserters-Walker Conservancy in
Gwa’sala-’Nakwaxda’xw territory.

PHOTO BY
Brodie Guy

ECONOMIC DEVELOPMENT FUND PERFORMANCE

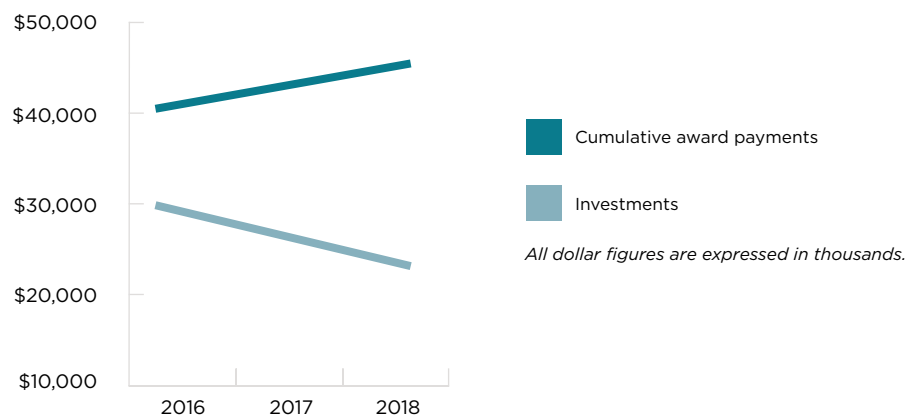
Results from Operations

In 2018, the deficiency of revenue over operating expenses was \$0.3 million, a decrease of \$0.2 million from the \$0.5 million deficit in the prior year. The nominal returns in 2018 resulted from the majority of the portfolio invested in lower-return fixed income assets. Operating expenses have been maintained consistently to prior years.

Investments and Investment Income

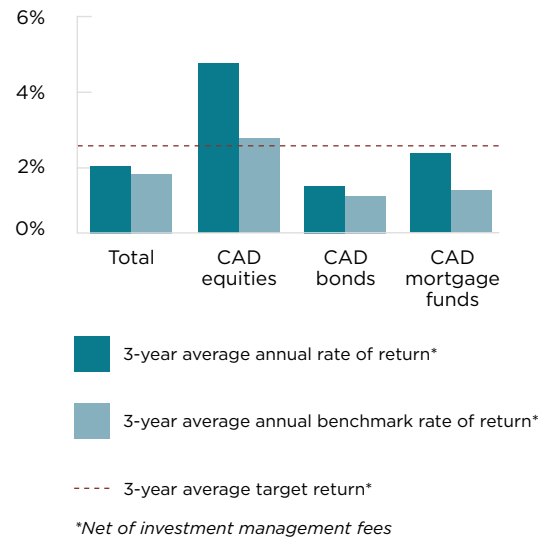
Investment income is dependent on both the amount of capital invested and the rate of return earned on investments. The economic fund's investments will decrease over its lifespan as awards are disbursed.

Over the past three years, earnings from equities have been relatively volatile, and as such, the economic fund has divested away from equities during the year. Interest rates rose throughout 2018, with the Canadian bond portfolio providing a nominal return for the period. The target allocation of the economic fund's investments is 62.5% in Canadian bonds and 37.5% in Canadian mortgage funds.



In 2018, the overall rate of return was 1.1%, including equities returns. This is a 0.2% decrease against the 2017 rate of return. The average annual rate of return for the last three years was 2.1%, which is higher than the benchmark's three-year average annual return of 1.8%.

The Society monitors the performance of its investment managers by comparing actual rates of return to benchmarks based on market returns.



ECONOMIC DEVELOPMENT FUND: YEARLY FUND BALANCES

From 2008 to 2018, the economic development fund has provided First Nations with over \$45 million in awards.

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Opening Fund Balance	\$61,669	\$63,245	\$60,222	\$55,967	\$50,456	\$47,102	\$41,659	\$35,849	\$26,720	\$25,319
Contributions	-	-	-	-	-	-	-	-	-	-
Net Investment Income	4,536	2,879	1,441	1,328	1,592	1,894	643	871	331	513
Operating Expenses	(828)	(927)	(968)	(1,235)	(1,014)	(975)	(974)	(1,069)	(872)	(860)
Awards Expense	(2,132)	(4,975)	(4,728)	(5,605)	(3,932)	(6,362)	(5,479)	(8,931)	(860)	(2,260)
Closing Fund Balance	\$63,245	\$60,222	\$55,967	\$50,456	\$47,102	\$41,659	\$35,849	\$26,720	\$25,319	\$22,712

All dollar figures are expressed in thousands.

ECONOMIC DEVELOPMENT FUND PERFORMANCE

Statement of Financial Position at December 31, 2018

	2018	2017
Assets		
Current assets		
Cash	\$ 1,174,684	\$ 1,741,182
Short-term investments	5,499,649	4,685,363
Due from the Foundation	191,239	80,007
Other assets	2,656	5,305
	<u>6,868,228</u>	<u>6,511,857</u>
Investments	17,018,855	20,072,864
Property and equipment	3,044	4,348
	<u>\$ 23,890,127</u>	<u>\$ 26,589,069</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	\$ 130,611	\$ 116,904
Accrued award distribution	1,047,768	1,153,578
	<u>1,178,379</u>	<u>1,270,482</u>
Net assets		
Externally restricted		
Federal revenue fund	6,374,394	6,721,633
Regional economic development planning fund	193,668	274,918
Federal economic development fund	16,143,686	18,322,036
	<u>22,711,748</u>	<u>25,318,587</u>
	<u>\$ 23,890,127</u>	<u>\$ 26,589,069</u>

Statement of Operations and Changes in Net Assets at December 31, 2018

	Federal revenue fund	Regional economic development planning fund	Federal economic development fund	2018 Total	2017 Total
Revenue					
Net investment income	\$ 513,222	\$ -	\$ -	\$ 513,222	\$ 331,659
Expenses					
Administration	75,058	-	-	75,058	97,744
Awards	-	81,250	2,178,350	2,259,600	860,292
Board expenses	125,317	-	-	125,317	108,049
Capacity and support services	6,500	-	-	6,500	6,500
Communications	40,380	-	-	40,380	28,203
Facilities and equipment	3,794	-	-	3,794	43,680
Personnel	741,210	-	-	741,210	708,742
Professional fees	34,700	-	-	34,700	121,310
	<u>1,026,959</u>	<u>81,250</u>	<u>2,178,350</u>	<u>3,286,559</u>	<u>1,974,520</u>
Recovery from the Foundation	(166,498)	-	-	(166,498)	(241,586)
	<u>860,461</u>	<u>81,250</u>	<u>2,178,350</u>	<u>3,120,061</u>	<u>1,732,934</u>
Excess (deficiency) of revenue over expenses	<u>(347,239)</u>	<u>-</u>	<u>(2,178,350)</u>	<u>(2,606,839)</u>	<u>(1,401,275)</u>
Net assets, beginning of year	<u>6,721,633</u>	<u>\$ 274,918</u>	<u>\$ 18,322,036</u>	<u>\$ 25,318,587</u>	<u>\$ 26,719,862</u>
Net assets, end of year	<u>\$ 6,374,394</u>	<u>\$ 193,668</u>	<u>\$ 16,143,686</u>	<u>\$ 22,711,748</u>	<u>\$ 25,318,587</u>

FINANCIAL INFORMATION EXTRACTED FROM THE AUDITED FINANCIAL STATEMENTS OF COAST ECONOMIC DEVELOPMENT SOCIETY.
A COMPLETE COPY OF THE AUDITED FINANCIAL STATEMENTS IS AVAILABLE AT www.coastfunds.ca/resources/annual-reports/

Funders

Initially capitalized with \$118 million provided by six private foundations, the Province of British Columbia, and the Government of Canada, Coast Funds is comprised of two separate organizations.



- The Nature Conservancy
- The William and Flora Hewlett Foundation
- The Gordon and Betty Moore Foundation
- David and Lucile Packard Foundation
- The Rockefeller Brothers Fund
- Tides Canada Foundation



- Government of Canada
- Province of British Columbia

Members

Coast Funds' Members represent the interests of the original funders and the eligible First Nations communities. The Members convene once a year at an annual general meeting of the Foundation and Society.

Dallas Smith

President, N̓anwakolas Council

Ross McMillan

Member on behalf of Private Funders

Laurel Nash

Assistant Deputy Minister, Ministry of
Indigenous Relations and Reconciliation,
Province of British Columbia

Ernest Swanson

Entrepreneur, Haida Nation (Non-Voting)

ᑭáwáził Marilyn Slett

President, Coastal First Nations
(Great Bear Initiative Society)

Jenny Brown

Director of Conservation Programs, Nature United

Craig Sutherland

Assistant Deputy Minister, Coast Area,
Ministry of Forests, Lands and Natural
Resource Operations, Province of British Columbia

Robert Grodecki

Executive Director, North Coast Skeena
First Nations Stewardship Society (Non-Voting)

WHO WE ARE

Board of Directors

Coast Funds' board of directors is responsible for governance of the conservation and economic development funds, and reporting to the Members.



Huux Percy Crosby (Chair) represents Skidegate at the Haida House as an elected official for the Council of the Haida Nation, and represents the Haida Nation on the Haida Gwaii Management Council. 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 of BC. In all positions, he has used his knowledge of Haida law and cultural values, Haida Gwaii geography and history, and provincial laws and practices.



Sage Berryman is the Chief Operating Officer of the Ralmax Group of Companies. Prior to this Sage founded a number of companies with the intent to bring impact-based businesses into the areas that needed them the most. Before becoming an entrepreneur, she was the West Coast General Manager and Senior Managing Director with a global management consulting company called FTI Consulting working in San Francisco. Through her career she has worked with a number of high-growth companies where she led multiple successful business/strategic planning initiatives, private and public financings, and sales and marketing programs. Sage holds an MBA 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.



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 and Political Science; and a Bachelor of Arts from Simon Fraser University.



Darcy 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 was born and raised on Vancouver Island, and lives in Metchosin. He has a Bachelor of Arts from the University of BC and a Master of Business Administration from Harvard. He worked for over 20 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 and provincial negotiator with First Nations in 2004 and 2005. Since 2006 he has worked on ecosystem-based management implementation with the N_anwa_kolas Council. In 2008, he was ordained as a deacon in the Anglican church.



Larry Greba has extensive experience and training in the field of fisheries, oceans and economic development. He has worked with 25 First Nations communities and organizations throughout British Columbia over the past 31 years, primarily in wild fisheries enhancement, conservation, management, finfish and shellfish aquaculture, policy development, strategic planning and negotiation. He has worked closely with the Kitasoo/Xai'xais Nation, Central Coast Indigenous Resources Alliance, the First Nations Fisheries Council, and the Coastal First Nations-Great Bear Initiative, and has represented the interests of many of these organizations on a myriad of boards and committees. He has developed and serves as a managing director of several Kitasoo Band businesses.



Chris Trumpy has more than 30 years of experience in public service. He 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. He currently sits on the boards of Puget Sound Energy, Coast Capital Savings Credit Union, and Pacific Sport Victoria.



Bruce Watkinson is a member of the Gitxaala First Nation and currently works for the Gitxaala Nation as the Fisheries Manager/Marine Program Coordinator. He obtained his Bachelor's degree in Biology from the University of Victoria in 1998. He has over 15 years of experience in resource management, fisheries research, strategic planning, and capacity-building. He has served on many local committees and boards representing First Nation interests on the North Coast, and was previously the Executive Director of the North Coast – Skeena First Nations Stewardship Society for a five-year term.



Kii'iljuus Barbara Wilson is an elected representative of the Council of the Haida Nation. She has been involved with many boards both on Haida Gwaii and in other areas. Barbara has experience as the Chair and a member for the Legal Aid Society for approximately 30 years. She represented the United Church of Canada as an Official Observer at COP21, Paris in 2015. For many years she has been part of the Advisory group and the Chair of Indigenous Justice and Residential Schools. In her community, Barbara is a mother, grandmother, aunt, sister and friend to many. She has taught/lectured for NorthWest Community College, Simon Fraser University, University of BC, University of Victoria and attended conferences internationally and across Canada. Barbara has been a keynote speaker, cultural advisor, liaison between government, unions executive, photographer, cinematographer and is finally set to defend her thesis to complete her MA in Education. Her passions are her family, homeland – Haida Gwaii, and leaving the world a better place through education.



Merv Child (Retired December 2018) is a 1994 graduate of the University of Victoria Law School and was called to the British Columbia Bar in 1995. He has practised in the areas of administrative and aboriginal law. He serves as the Executive Director for the Nanwakolas Council, a Campbell River-based society of seven First Nations addressing land and resource issues and related economic development opportunities.

WHO WE ARE

Staff

Coast Funds' staff team works closely with First Nations, oversees the funds' financial performance, liaises with funders, and leads organizational initiatives.



Brodie Guy, Executive Director As Coast Funds' Executive Director, Brodie leads a committed team that works in close partnership with First Nations on conservation finance for ecological and cultural stewardship, guardian programs, and economic development initiatives throughout coastal British Columbia. Over the past decade, Brodie has served in executive roles with funds investing in rural and sustainable development. Prior to joining Coast Funds, Brodie served as British Columbia's liaison with multilateral development banks including the World Bank, and previously worked in the private sector where he led the international marketing efforts of an environmental technology company. With particular expertise in conservation finance, forestry, bioenergy, ecotourism, carbon sequestration, and sustainable technology, Brodie has served in an advisory capacity to government and philanthropic organizations across Canada. Brodie holds a Chartered Director designation from McMaster University and a Bachelor of Commerce from the University of Victoria. He currently serves on the board of The Circle on Philanthropy and Aboriginal Peoples in Canada.



Ashley Hardill, Director, Project Investment As Director, Project Investment, Ashley works with First Nations to develop sustainable economic development projects. In this role, Ashley provides support for business and financial planning, financial reporting, and outcome measurement. Ashley holds a Masters in Resource and Environmental Management and is a designated Chartered Professional Accountant. Prior to joining Coast Funds, she worked as Finance Manager for Engineers Without Borders Canada providing financial support for their programming and venture work in Canada and Africa. Ashley has also worked as a public accountant, mainly working with non-profit organizations and charities. She also has experience in education, teaching courses on sustainable community development, entrepreneurship, and financial management.



Eddy Adra, Director, Finance As Director, Finance, Eddy oversees and leads all aspects related to the financial operations for Coast Funds. He works closely with the Executive Director and the Board of Directors to administer and manage the financial stewardship of Coast Funds, including the management of socially responsible investments, strategic developments, and the timely disbursement of funding to projects. Prior to joining Coast Funds, Eddy was a senior assurance and accounting manager at a leading public practice firm in Vancouver. Eddy has over twelve years of experience in accounting, finance, and advisory services. He has worked with numerous not-for-profit organizations, Indigenous governments, and other public sector organizations. Eddy is an active supporter and treasurer of We Matter, an Indigenous-led not-for-profit organization committed to youth empowerment and community. He is also currently the treasurer and Board member at the Museum of Vancouver. Eddy is a Chartered Professional Accountant (CPA, CA), a Certified Information Systems Auditor (CISA) designate, and holds a Bachelor of Business Administration from Simon Fraser University.



Laura Hope, Communications Specialist As Communication Specialist, Laura works with First Nations to share the knowledge, experience, and stories of their development and conservation projects. Prior to joining Coast Funds, she worked as a communicator for several non-profit organizations including, most recently, Sierra Club BC and the David Suzuki Foundation. Her work focused on finding ways of engaging diverse audiences with complex environmental issues. She has completed her Bachelor of Arts, Certificate in Film Arts, and a Master of Arts in Professional Communication. Laura is thrilled to be working with the passionate team at Coast Funds to strengthen community well-being and conservation efforts in the Great Bear Rainforest and Haida Gwaii.



Vicki Scully, Manager, Economic Development As Manager, Economic Development Vicki supports First Nations in the Great Bear Rainforest and Haida Gwaii as they develop sustainable economic development projects. Vicki provides support for business and financial planning, as well as financial and outcome reporting. Prior to working with Coast Funds, Vicki consulted with First Nations and non-profits in BC and the Yukon to design economic development projects, build viable business plans, secure funding and engage skilled advisors. Also in her role as Manager of Community Business Banking at Vancity Credit Union she led the development and delivery of specialized lending and advisory services to small business and non-profit members and developed partnerships for funding. Vicki holds a BA in Economics and has specialized in community-based lending, small business training, and building social enterprises.



Serena Innes, Executive Administrator As Executive Administrator, Serena supports First Nations as they apply for and report on conservation funding to ensure First Nations receive timely disbursement of funding for their initiatives. Additionally, Serena provides administrative support to the Executive Director, Board, and Members as a key element of Coast Funds' strong governance practices. Serena brings over twenty years of progressive experience to Coast Funds most recently as the Executive Assistant to the CEO of Garibaldi Glass. Prior to joining Garibaldi Glass she worked at Blueshore Financial, a North Vancouver-based credit union, where she worked with four Senior Vice Presidents, in increasingly strategic roles, for more than six years. Serena also served as a key member in the office of the CEO of the BC 2010 Olympic Games Secretariat. She grew up in Powell River, BC and is passionate about the environment and conservation in protected areas such as the Great Bear Rainforest and Haida Gwaii. Serena and her family spend most of their free time outdoors enjoying all that British Columbia has to offer.



Lydia Liew, Financial Administrator As Financial Administrator, Lydia is responsible for effective and accurate accounting to support the entire team as they work with First Nations to invest funds in conservation and sustainable development throughout Great Bear Rainforest and Haida Gwaii communities. Lydia has eleven years of accounting experience in the not-for-profit sector. Prior to joining Coast Funds, she worked for the YMCA of Greater Vancouver to strengthen local communities. Lydia has a diploma in business administration with a focus in accounting. She enjoys continuing to support BC communities in her role at Coast Funds.



COAST FUNDS

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FIND OUT MORE AT:

coastfunds.ca



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