



**COAST  
FUNDS**

**2019 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

Kitasoo Xai'xais youth practicing their culture in the Klemtu Big House. The Súa Performance Group was started by local youth with a keen interest in interacting with local tourists visiting Spirit Bear Lodge, and in strengthening their practice of Kitasoo/Xai'xais traditions.

PHOTO BY  
Jack Plant

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## MESSAGE FROM THE CHAIR

Every year we are proud to look back on the inspiring work that First Nations are undertaking in collaboration with Coast Funds, through new investments that further healthy and thriving communities and ecosystems throughout the Great Bear Rainforest and Haida Gwaii.

While the beginning of 2020 has seen us face new and unexpected challenges, it's vital that we work closely to foster the sustainability of First Nations' stewardship programs, business operations, and infrastructure projects. Together, Coast Funds and First Nations have been working in close partnership for many years, achieving many successes along the way. As First Nations people, we are strong and resilient — we will continue to protect our territories and strengthen the well-being of our people despite any challenge we face. This past year saw us strive forward in many ways that give me hope for what we can continue to accomplish going forward.

Since inception, Coast Funds has approved \$89.9 million towards 378 projects that protect lands and waters while growing sustainable economies across the coast. First Nations continue to make strategic

multi-million-dollar investments in partnership with Coast Funds that provide family-supporting jobs in remote communities. **Total new investment attracted to the region from project investments increased by over \$25 million in 2019, bringing the total since our inception to more than \$320 million.** In 2019, our board approved \$4.5 million in new investment towards 12 conservation and stewardship initiatives and \$3.8 million in new investment in 13 economic development projects. **Coast Funds also achieved an exciting milestone in our history, with a total of more than \$50 million in economic development funding approved towards 200 projects.**

While surpassing \$50 million in economic development project investments is exciting, it also indicates that **the end of the Coast Economic Development Society (economic development fund) is quickly approaching.** Coast Funds' unique role, investing with First Nations in the development of a conservation-based economy in the Great Bear Rainforest, continues to be vital to support First Nations, the Province, and funders working to uplift well-being in coastal communities, to spur the



Coast Funds board of directors and staff with Haislaq Hemas (Hereditary Chiefs) and Elders in June 2019.

PHOTO BY  
Brodie Guy





development of healthy and resilient local economies, and to protect the ecology of the Great Bear Rainforest and Haida Gwaii.

Recognizing the importance of the economic development fund, **the Members of Coast Funds, representing First Nations and funders, continue to discuss how Coast Funds' board, Members, First Nations, funders, and others might work together to bring new funds to the Coast Economic Development Society (economic development fund)** prior to its full expenditure, alongside emerging efforts to strengthen the conservation endowment fund. As part of these conversations, at our 2019 Annual General Meeting, **members endorsed Coast Funds' role in administering a new fund to help First Nations communities transition from fossil fuels to renewable energy.** The new fund, Renewable Energy for Remote Communities, is a key initiative of the provincial government's CleanBC and Remote Communities Clean Energy Strategy through 2030. The fund will

see the investment of \$7.9 million in First Nations-led renewable energy projects across the Great Bear Rainforest and Haida Gwaii between 2020-22.

**As we closed the decade by reaching these landmarks, we paused to reflect on changes, growth, challenges, what we've learned, and the future of Coast Funds in its evolving role as a globally recognized Indigenous-led conservation finance organization.** This process of reflection and renewal is reflected in Coast Funds' 2020-22 Strategic Plan. We proudly shared this new strategic plan with First Nations leaders, funders, and partners earlier this year and we have enclosed highlights from the plan within this annual report.

Ensuring the responsible and ethical stewardship of the funds entrusted to us by funders and First Nations remains central to our operations and governance. In 2019, **we set a new Canadian standard for socially responsible investment guidelines by developing and adopting new shareholder voting directives that promote recognition of Indigenous Rights by the boards of publicly traded companies.** We hope our efforts to recognize the rights of Indigenous Peoples through responsible shareholder advocacy are adopted more broadly by foundations, pension funds, trusts, and universities across Canada and globally.

**This year was also one of historic accomplishments.** In October, joined by our executive director Brodie Guy, I was honoured to attend the opening of Gvúkva'áus Haítzaqv, the first ǵiá'ci (Big House) in Haítzaqv Nation territory in 120 years. Later that month, the Province of B.C. became the first in Canada to legally implement the United Nations Declaration on the Rights of Indigenous Peoples. Coast Funds board and staff raise our hands in recognition of those who worked tirelessly to bring about these significant changes.

PHOTO ABOVE  
Coast Funds Chair Huux̱ Percy Crosby and Executive Director Brodie Guy were honoured to attend the historic opening of Gvúkva'áus Haítzaqv in October 2019.

PHOTO COURTESY  
Heiltsuk Tribal Council, by Tavish Campbell

# MESSAGE FROM THE CHAIR

Our board was pleased to welcome three First Nations women directors to the Coast Funds board in July 2019. Each new director brings a unique set of competencies and backgrounds to the board: Christina Gray (Ts'msyen/Dene) is a lawyer and Indigenous law scholar, currently completing her Master of Laws. Ts'xwiixw *Megan Moody* (Nuxalk) has served her community and other coastal communities as a stewardship expert and biologist. Kii'iljuus *Barbara Wilson* (Haida) holds a Master of Arts in Education and brings to the board a diverse background in stewardship, Indigenous justice, education, and cultural advising.

Two directors departed their positions this year; I would like to take this opportunity to express my gratitude and extend our thanks to Larry Greba and Bruce Watkinson for their dedication in support of the work and vision of Coast Funds. You made great contributions towards our mandate, you are both sincerely missed, and we look forward to continuing to work closely with you both.

We were joined by three new staff members this year whose work will help support First Nations' stewardship finance and renewable energy priorities: Raine Playfair joined us as our Stewardship and Governance Specialist, Shehin Rahemtulla as our Renewable Energy Specialist, and Celina O'Connor as our Communications Specialist while our Communications Manager Laura Hope takes parental leave.

**Coast Funds board and staff are honoured to collaborate with First Nations across the Great Bear Rainforest and Haida Gwaii as they lead the way in building a sustainable coastal economy and advancing Indigenous-led stewardship of their lands and waters.** I would like to thank our board members and the staff of Coast Funds for continuing contributions to the success of the organization and the First Nations we serve. I look forward to our ongoing partnership with First Nations as we continue charting a sustainable and prosperous future together. Until I write again next year, I wish everyone on the coast has safety, good physical and mental well-being, and togetherness in the uncertain months ahead.



**Huux Percy Crosby**  
Chair, Coast Funds

# IN MEMORIAM – MULIDZAS CURTIS WILSON

May 7, 1980 – October 20, 2019

It was with heavy hearts that Coast Funds board and staff learned of the passing of our friend,  
*Mulidzas Curtis Wilson.*

Mulidzas was a loving father and partner, a dedicated community leader, and an accomplished artist. Born and raised in the Ligwilda'xw territories in Campbell River, Mulidzas was a member of Wei Wai Kum Nation. Renowned for his masterful carvings and design work, Mulidzas had shared that, "My goal in life is to learn as much of my culture and heritage as I can, so I can pass it on to the next generations."

Coast Funds is especially grateful to Mulidzas for his intention and artistry in creating the Coast Funds logo in 2008 — a Tlakwa copper resembling a G'ila Grizzly Bear, which symbolizes wealth, strength, power, welcome, and friendship.

We extend our heartfelt condolences to Mulidzas' family and friends, Wei Wai Kum Nation, and to everyone who has and will continue to love him. Our staff and board feel honoured to have known him and humbled to carry a small piece of his immense legacy forward as a key element of our identity signifying our work as part of Coast Funds.



Canadian Native Flag designed by Kwakwaka'wakw artist Mulidzas  
*Curtis Wilson* flying above Knight Inlet Lodge in the territory of the Da'naxda'xw First Nation.

PHOTO BY  
Brodie Guy



# 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' stewardship 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 First Nations on the central and north coast of B.C. 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 May 2019, Chief Maxwiyalidizi K'odi Nelson (top centre) invited Coast Funds' executive director Brodie Guy (top right) to contribute to planning for Nawalakw Healing Society, pictured here together in the Guxtsa (Big House) of the Kwikwasut'inuxw People's home village of Gwa-yas-dums, Gilford Island, in the Broughton Archipelago.



Danielle Shaw and Archie Corbett own and operate West Sea Otter water taxi, a small business servicing the Wuikinuxv community of Rivers Inlet.

PHOTO BY  
Laura Hope



"It has afforded us so many different opportunities to visit places along the coast that we haven't been to before. It gets our kids out on the water and seeing different parts of the territory."

From West Sea Otter Water Taxi: A Family-Run Small Business with a Big Community Impact, published in the Fall 2019 issue of Talking Stick.



# OUR MANDATE

## Vision

First Nations exercise their inherent rights to self-determination, ensuring healthy and thriving communities and ecosystems.

## Mission

To partner with First Nations in achieving their goals for conservation, stewardship, and economic development in the Great Bear Rainforest and Haida Gwaii.

## Core Values

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

- Respect and good relations;
- Integrity;
- Collaboration and reliability;
- Adaptability and responsiveness; and
- Transparency and accountability.



Over 2,000 people gathered in Hailzaqv territory in October 2019 to celebrate the historic opening of Gvukva'úas Hailzaqv, the first Ÿiáci (Big House) in the Nation's territory in 120 years.

PHOTO BY  
Brodie Guy



## Organizational Principles



### **GOOD RELATIONS**

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



### **RESPECTING INDIGENOUS SELF-DETERMINATION**

We acknowledge and respect Indigenous histories, laws, and governance. We work with the spirit and intent of the United Nations Declaration on the Rights of Indigenous Peoples.



### **COLLABORATIVE DUE DILIGENCE**

Coast Funds works in close partnership with First Nations to make responsible and objective decisions to develop successful applications, to facilitate peer mentoring and knowledge sharing between communities, and to fund sound, high-quality projects.



### **REVITALIZING CAPACITY**

Coast Funds supports 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.



### **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 value-added service to First Nations.

# 2020-2022 STRATEGIC PLAN

**In 2018 and 2019, Coast Funds engaged with First Nations communities and business leaders throughout the Great Bear Rainforest and Haida Gwaii, Members, and funders regarding key decisions ahead for 2020-22.** From these discussions, the board received unanimous encouragement to explore new opportunities to recapitalize Coast Funds: both to seek the replenishment of the waning economic development fund and to make efforts that will strengthen the conservation endowment to support continuity of intergenerational stewardship initiatives throughout the Great Bear Rainforest and Haida Gwaii.

**With this context in mind, Coast Funds has established our foundational goal as well as three key goals and objectives that the organization seeks to achieve by December 2022.** These goals and objectives respond to the questions raised and reflect ongoing core work to fulfill Coast Funds' long-term vision and mission. Coast Funds will develop detailed annual implementation plans setting our specific actions and targets to achieve each strategic goal.

## Our Foundational Goal

### INTERGENERATIONAL SUSTAINABILITY OF COAST FUNDS

*Goal: As requested by First Nations, sustain and evolve Coast Funds to a new operating model that allows the organization to continue to offer valued services to First Nations beyond the dissolution date of the Society (the economic fund).*

1. In partnership with First Nations, develop a plan for recapitalization of the Society (the economic fund) or its dissolution. Also see Resilient Coastal Economies objective 3.
2. Amend governing documents to improve the sustainability of the organization's governance and operations.
3. In partnership with First Nations and funders, grow the Foundation's endowment to increase First Nations' access to self-determined stewardship finance while also sustaining valued services provided to First Nations by Coast Funds. Also see Resilient Lands and Waters objective 3.



## Key Goals and Objectives

### HEALTHY AND RESILIENT COASTAL ECONOMIES

*Goal: To support First Nations' efforts to build healthy and resilient economies.*

- Strengthen First Nations to grow and diversify resilient local and regional coastal economies by making strategic acquisitions, creating and expanding community-owned enterprises, supporting entrepreneurs, and enhancing economic infrastructure.
- Support the transition from fossil fuel-dependent electrical grids to renewable energy sources by collaborating with coastal First Nations and the Province of B.C. through the Renewable Energy for Remote Communities program.
- Partner with First Nations and funders to find new opportunities to fund economic development.

### HEALTHY AND RESILIENT LANDS AND WATERS

*Goal: To support the revitalization of First Nations' stewardship of ecology, culture, and protected areas.*

- Strengthen First Nations' development of Indigenous-led stewardship, Guardian Watchman efforts, and regional stewardship initiatives.
- In collaboration with First Nations and funders, develop a long-term plan for the intergenerational sustainability of the endowment fund.
- Explore new opportunities in support of First Nations' efforts to secure diversified, self-determined, and sustainable sources of revenue to build resilient Indigenous-led stewardship which may include increasing endowed funds in the Foundation.

### CONTINUOUS LEARNING AND KNOWLEDGE SHARING

*Goal: To partner with First Nations to proactively facilitate the sharing of knowledge, lessons learned, strategies, and outcomes.*

- Collaborate with First Nations to document how stewardship and economic development projects were planned and implemented, how resilient First Nations are becoming increasingly self-determining, and to provide advice for other Indigenous Peoples based on lessons learned.
- Demonstrate how Coast Funds' project investments are strengthening well-being on local and regional scales by analysing and publishing environmental, social, economic, and cultural outcomes.
- Proactively share project stories and well-being outcomes to facilitate peer mentoring and knowledge sharing, and to empower First Nations.

# PARTICIPATING FIRST NATIONS

Coast Funds works in partnership with the following First Nations and their regional organizations whose territories span the Great Bear Rainforest and Haida Gwaii.



**Coastal First Nations -  
Great Bear Initiative**  
North and  
Central Coast



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



**Dzawada'enuxw**  
Kingcome Inlet



**Gitanyow**  
Kitwanga River



**Gitga'at**  
Hartley Bay



**Gitxaala**  
Kitkatla



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



**Gwawaenuk**  
Watson Island



**Haida**  
Haida Gwaii



**Haisla**  
Kitamaat



**Heiltsuk**  
Bella Bella



**K'ómoks**  
Comox



**Kitasoo / Xai'xais**  
Klemtu



**Kitselas**  
Terrace



**Kwikah**  
Phillips and  
Frederick Arm



**Kwikwasut'inuxw  
Haxwa'mis**  
Gilford Island



**Lax Kw'alaams**  
Tsimshian Peninsula



**Mamalilikulla**  
Village and  
Compton Islands



**Metlakatla**  
Prince Rupert



**'Namgis**  
Alert Bay



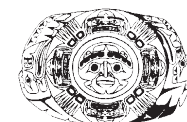
**Nanwakolas  
Council**  
South Central Coast



**Nisga'a**  
Nass Valley



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



**Nuxalk**  
Bella Coola



**Tlowlitsis**  
Johnstone Strait



**Ulkatcho**  
Anahim Lake



**We Wai Kai**  
Quadra Island



**Wei Wai Kum**  
Campbell River



**Wuikinuxv**  
Rivers Inlet



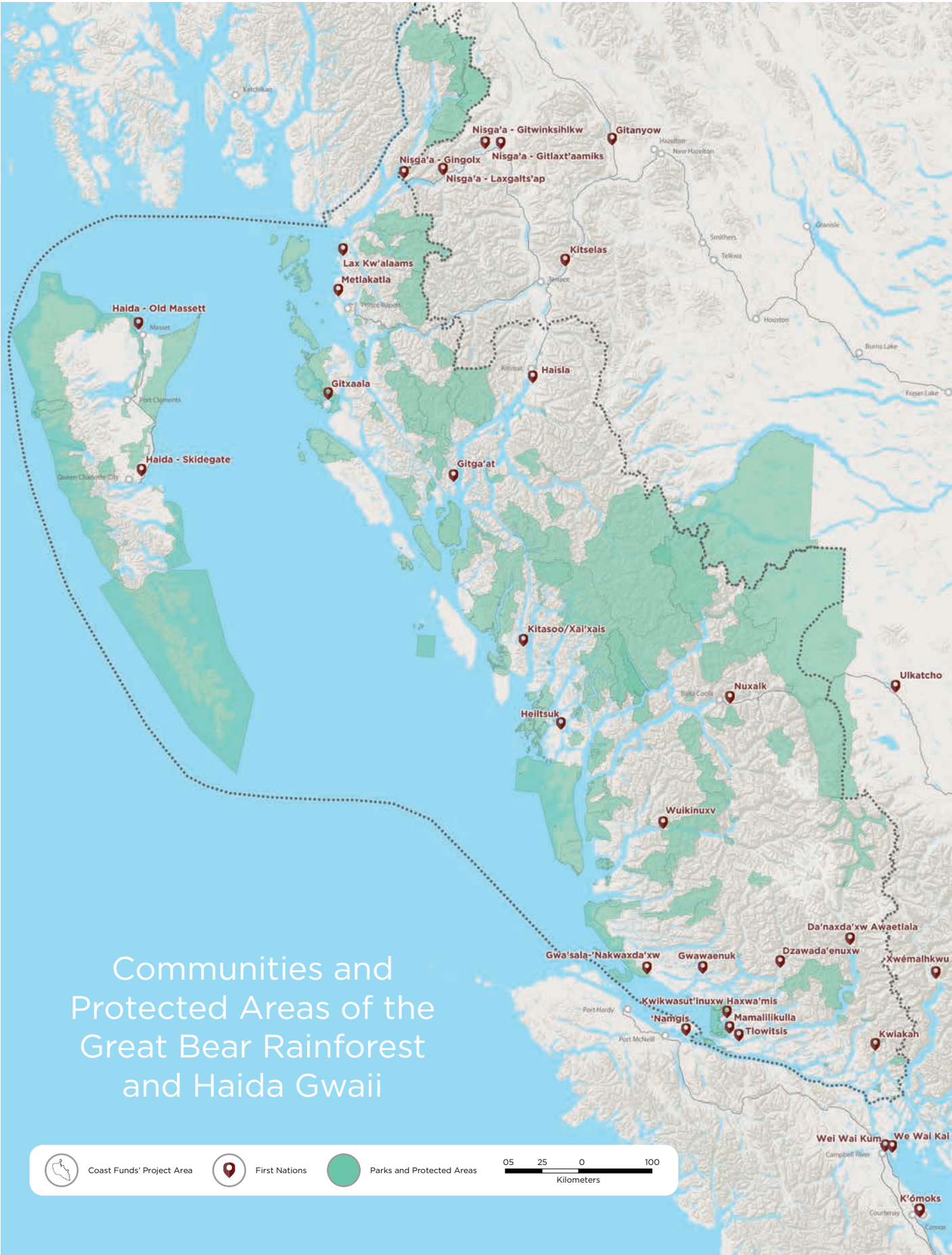
**Xwémalhkwu  
(Homalco)**  
Bute Inlet



# OUR PROJECT AREA



COAST FUNDS







Pat Housty, Haítzaqv Matriarch and  
long-time manager of the Wáglísla  
grocery store and bakery.

PHOTO BY  
Laura Hope

“It’s all about community  
and it’s all about the people  
in the community. We work  
closely with the community  
and finding out the needs and  
making sure that everybody  
is taken care of.”

From Rebuilding the Heart of Wáglísla: Haítzaqv Invest in  
Community-owned Grocery Store and Bakery, published  
in the Winter 2020 issue of Talking Stick.



Coast Funds measures the contribution every project investment makes to strengthening well-being in First Nations communities throughout the Great Bear Rainforest and Haida Gwaii. We do this in partnership with First Nations via 20 indicators of environmental conservation, economic prosperity, social empowerment, and cultural vitality.

## 2019 Highlights

**In 2019, First Nations completed 17 projects funded by Coast Funds.** Those projects contributed to strengthening well-being in the following ways:

- **First Nations have made a total of \$321 million in new investment in the region with Coast Funds since 2007** – an increase of \$35 million in 2019 (and a 12% increase compared to total investment attracted since inception up to the prior year).
- **Since 2007, First Nations have invested \$50 million in local family-supporting salaries through projects supported by Coast Funds.** In 2019, a total of \$9.5 million was reported as invested in local family-supporting salaries that are contributing to rising personal incomes across the Great Bear Rainforest and Haida Gwaii (a 24% increase compared to total family-supporting salaries since inception up to the prior year). Wages earned from invested projects are spent locally in remote communities and act as an important economic multiplier, building stronger and more resilient local economies. The major increase in local salaries was due in large part from First Nations reporting past investments in a variety of programs and companies, including: Heiltsuk Integrated Stewardship Department, Lax Kw'alaams Fisheries Stewardship Program, Haisla Fisheries Commission, Kitasoo Resource Stewardship Program, and Yun Ka Whu'ten Development LP.
- **The total number of research and restoration initiatives since 2007 increased by 18% in just the past year, with a particular focus on kelp, eelgrass, abalone, salmon, and grizzly bear species in 2019 project reports.** Since inception these conservation initiatives protect, enhance, or support better understanding of 58 different species. Through species enumeration, invasive species management, stream assessments, water sampling, zooplankton analysis, biotoxicity monitoring, and other ecosystem science, First Nations are ensuring that the delicate and productive ecology of the region is maintained.
- Stewardship programs embed ancestral language and place names in all aspects of their work. In this way, First Nations are actively revitalizing their languages through projects that teach language to youth, map traditional place names, and compile and digitize audio recordings of fluent speakers. **In 2019, projects that positively contributed to language revitalization efforts increased by 22%** compared to all language outcomes arising from projects since inception up to the prior year.

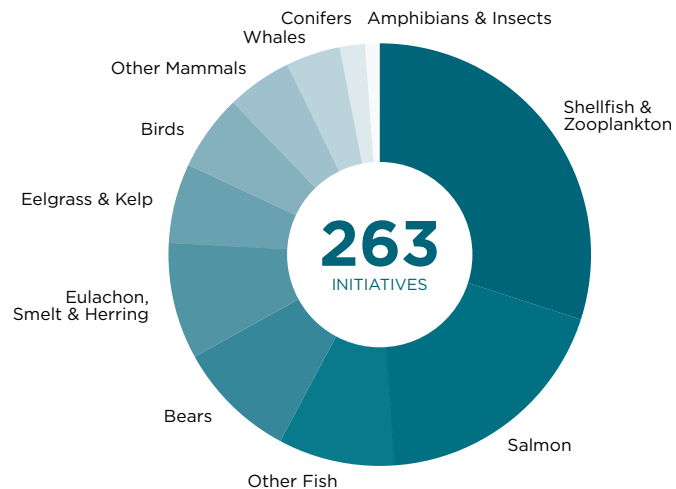


# OUTCOMES SINCE INCEPTION

## Environmental Conservation

First Nations are leading conservation and research initiatives in the Great Bear Rainforest and Haida Gwaii to protect and sustain biodiversity and the ecological integrity of the region. Research to assess and restore habitats is protecting species of special concern in a wide range of ecosystems found throughout the region. **First Nations have conducted 263 scientific research or habitat restoration initiatives with funding from Coast Funds, impacting 58 species, including salmon, eulachon, whales, and others.**

### SPECIES RESEARCH AND RESTORATION INITIATIVES BY FIRST NATIONS



## Economic Prosperity

First Nations are making multi-million dollar investments to provide family-supporting jobs in remote communities, **attracting a total of \$320,920,818 in new investment into the projects supported by Coast Funds** throughout the Great Bear Rainforest and Haida Gwaii. This helps to retain community members, particularly youth and skilled workers, in their home communities. New investment is attracting additional money into the economy which supports vibrant communities through infrastructure development, improved access to services, and new training opportunities.

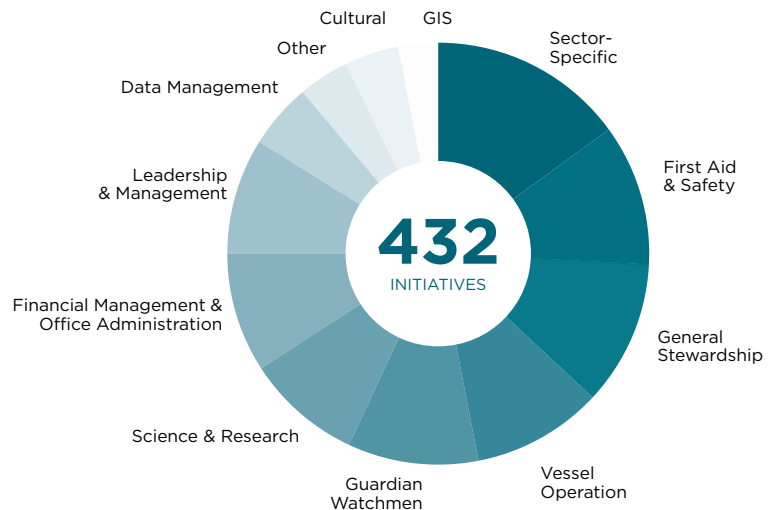
### CUMULATIVE PROJECT INVESTMENT IN THE GREAT BEAR RAINFOREST AND HAIDA GWAI



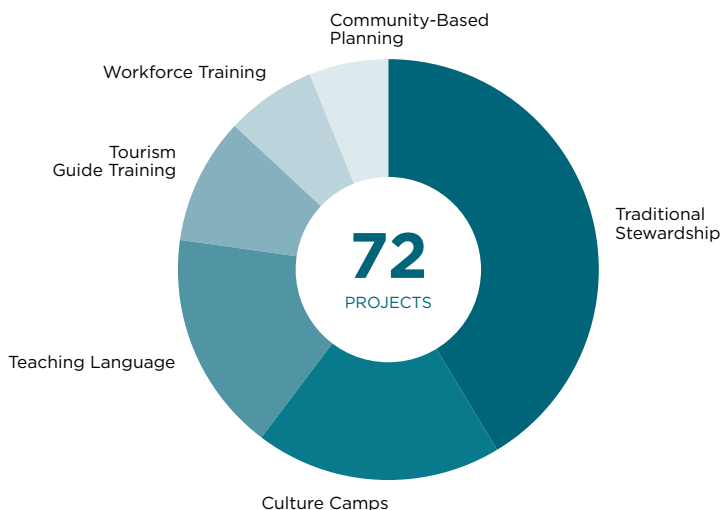
## Social Empowerment

First Nations are investing in training to enable First Nations community members to work at new organizations in the region and meet the growing demand for skilled workers. This training includes data analysis, ecological restoration work, ecotourism guiding, safety, first aid, and vessel operation, all of which are growing areas of demand for skilled employees throughout the Great Bear Rainforest and Haida Gwaii. **First Nations have conducted 432 initiatives that have trained 1,154 people and provided 17,282 training days in 17 different fields with the support of Coast Funds.**

## WORKFORCE TRAINING AND DEVELOPMENT INITIATIVES BY FIRST NATIONS



## PROJECTS WITH KNOWLEDGE TRANSFER FROM ELDERS AND YOUTH



## Cultural Vitality

First Nations are working to ensure that the lessons, history, language, and knowledge of their culture 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 Nation's culture. First Nations are providing opportunities to facilitate the knowledge transfer between Elders and youth in areas such as traditional stewardship, cultural camps, teaching language, tourism guide training, workforce training, and community-based training. **First Nations have led 64 projects, with Coast Funds, facilitating this knowledge transfer from Elders to youth.**



“Heiltsuk have been protecting and stewarding our territory since time immemorial according to our traditional laws handed down to us from our ancestors. [An Indigenous Marine Response Centre] is a natural evolution of that work, and builds on the best available local knowledge and technology.”

Haíłzaqv Hereditary Chief Harvey Humchitt, as quoted in a November 2017 report prepared by Heiltsuk Tribal Council in response to the 2016 Nathan E. Stewart oil spill in Haíłzaqv territory. Heiltsuk Integrated Resource Management Department, supported by Coast Funds, leads the vital work of safeguarding Haíłzaqv lands and waters by placing Haíłzaqv People at the forefront of environmental monitoring and stewardship efforts in their territory.



Haíłzaqv guardians undertaking oil spill response preparedness, August 2019 as part of the work of Heiltsuk Integrated Resource Management Department.

PHOTO BY  
Brodie Guy

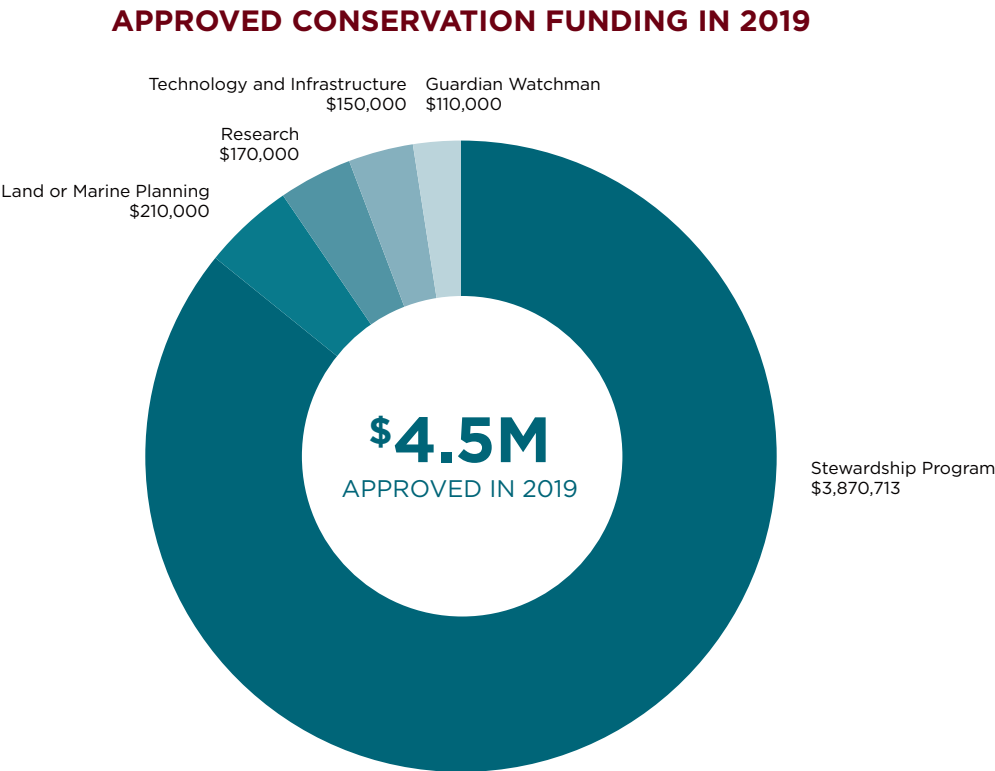


## 2019 Highlights

In 2019, Coast Funds approved \$4,510,713 towards 12 conservation projects, including the largest approval made in the history of the endowment: \$1,865,713 to support core operations of the Haida Nation's Heritage and Natural Resources Department in 2019-20. Overall, the funds approved in 2019 are anticipated to leverage \$6,928,534 in additional funding for total new investment of \$11,439,247 into conservation and stewardship efforts throughout the Great Bear Rainforest and Haida Gwaii.

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

- The start-up of one new stewardship program, expansion of seven stewardship or Guardian Watchman programs, expansion of one conservancy management and lands program, and support for three project-based conservation initiatives;
- Creation of 23 permanent jobs, including 16 new jobs employing First Nations individuals;
- Ongoing support of organizations that provide 124 permanent jobs, including 101 jobs employing First Nations in the region;
- Work in 39 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 29 different species.



# CONSERVATION FUNDING APPROVED IN 2019



## **Council of the Haida Nation** Gaaysiigang Sding – An Oceans Forum for Haida Gwaii

**\$10,000 approved**

To convene an ocean forum for Haida Gwaii marking 10 years since the first Gaaysiigang forum to convene Haida citizens, local residents, local and international experts, and government and nongovernmental organizations to dialogue on the current state and future trends of the Islands' culture, ecosystem health, and a changing economy in the context of implementing Haida Gwaii marine and integrated plans.



## **Council of the Haida Nation** Heritage and Natural Resources Department – 2019/20 Operations

**\$1,865,713 approved**

To support core operations of the department and support joint land and resource decision making with the provincial government under the Kunst'aa guu - Kunst'aayah Reconciliation Protocol, increase the extent of monitoring of forest practices and auditing of cultural feature identification surveys, develop an Islands-based recovery strategy for the endangered Stads K'un (northern goshawk) which is the national bird of Haida Gwaii, enhance the Yakoun River Hatchery and associated monitoring efforts including Adaptive Resolution Imaging Sonar enumeration of chinook and sockeye salmon and improved estimates of coho and pink salmon escapement, initiate a process to research the possibility of a Haida-led biosphere reserve being established, work towards abolishment of all Taan (black bear) hunting on the islands, undertake forest enhancement efforts, increase Monumental Cedar monitoring efforts, work towards new protection of the sacred Haida Gwaii headwaters to be formally identified/designated as special protected areas based on Haida cultural history with the Haida peoples' supernatural beings, conduct surveys of Cedar Stewardship Areas designated across 25,000 hectares of the islands, implement a Haida permitting process for off-island mushroom pickers to adhere to, and undertake a range of related stewardship initiatives such as GIS mapping services, environmental assessments, and archaeological monitoring services.



## **Gitga'at First Nation** Gitga'at Oceans and Lands Department – 2019/20 Operations

**\$300,000 approved**

To support operations of the Gitga'at Oceans and Lands Department, including hiring technical staff and focusing on improving stewardship skills and resource management through training; completing conservancy plans for K'oootz, Racey Inlet, and Bishop Bay/Monkey Beach; preparing and reviewing a draft marine protected area scenario with community and leadership; continuing to apply Gitga'at adaawx and ayaalk (Indigenous knowledge) to resource management; developing reference guides for Vessel Operations; stock assessment projects for varying marine species; ecological monitoring to determine baseline conditions and food security in traditional territories; constructing a new Guardian Watchmen cabin at K'yel; inventorying traditional use and archaeological resources; refining the Gitga'at Community Knowledge project and transferring leadership to a recruited community member.



## **Gitxaala Nation** Gitxaala Environmental Monitoring Service – Offshore Vessel and 2019-22 Operation

**\$800,000 approved**

To invest in a new state-of-the-art off-shore research and monitoring vessel that will enable Gitxaala Environmental Monitoring Service to conduct patrols across remote regions of Gitxaala territory, undertake specific marine mammal (humpback, orca, sea lion) surveys, survey and conduct site visits to sensitive and remote cultural sites to inform Gitxaala's involvement in LNG Canada's geographic response plan, conduct independent wake baseline and monitoring surveys that capture current wave conditions as well as to assess conditions potentially created by industrial or large-scale transportation activities in Gitxaala territories, implement marine use plans, and improve safety for employees, Elders, and youth.



**Haisla Nation Council**  
Redevelopment of the  
Kitlope Lodge in Xesdu'wäxw  
(Huschduwaschdu)

**\$150,000 approved**

To restore and redevelop the Kitlope Lodge that was originally constructed by the Haisla Watchmen and Nanakila Institute in the 1990s following establishment of the Huchsduwachdsdu Nuyem Jeess / Kitlope Heritage Conservancy in 1994; the Kitlope Lodge serves as the sole base for Guardian, stewardship, research, public safety or recreational infrastructure in the homelands of the Xenaksiala Peoples.



**Heiltsuk Tribal Council**  
Heiltsuk Integrated Resource  
Management Department –  
2019/20 Operations

**\$490,000 approved**

To support operations of the Heiltsuk Integrated Resource Management Department (HIRMD) in 2018 including continuing work on five conservancy management plans as identified in the Heiltsuk Land Use Plan in partnership with Qqs Projects Society; continuing implementation of the Coastal Reconciliation Protocol as it relates to the Great Bear Rainforest Act; monitoring the ecological integrity of the Gale Creek area as a result of the Nathan E. Stewart oil spill; developing a process for responding to Fisheries and Oceans Canada plans; undertaking a third year of research focusing on Yagia (kelp) reproduction and growth; implementing the new HIRMD Strategic Plan; and continuing partnerships with Hakai Beach Institute and Simon Fraser University.



**Kitasoo Band Council**  
Kitasoo Stewardship  
Authority – 2019/20 Operations

**\$315,000 approved**

To support operations of the Resource Stewardship program that includes: research on population dynamics and spatio-temporal distribution of mountain goats and northern goshawks across the Nation's territory; monitoring human use to inform a tourism and recreation strategy; continuation of cultural feature identification surveys, updating the Forestry Strategy and developing a timber supply and harvest management framework that includes landscape reserve designs; complete conservancy management and operational plans in Mussel and Khutz inlet alongside a protected area model for Green Inlet; and continued funding of youth stewardship development via the Supporting Emerging Aboriginal Stewards (SEAS) program.



**Kwiakah First Nation**  
Assessment of Seaweed  
Abundance and Spatial  
Distribution – 2019/20 Projects

**\$10,000 approved**

To undertake the second phase of a comprehensive research assessment of Kwiakah First Nation's marine environment that endeavours to determine the biomass and abundance for seaweed species, to uphold Kwiakah's ban on the wild harvest of ocean plants in Kwiakah's core territory, to develop a research protocol in partnership with North Island College for evaluating the amount of carbon sequestered by kelp (i.e. blue carbon value), and to ensure strong community participation in research projects and input into stewardship-related engagements with the provincial government and commercial harvesters operating in the region.



**Lax Kw'alaams Band**  
Fisheries Stewardship  
Program – 2019/20 Operations

**\$160,000 approved**

To support core salaries and operations of the Fisheries Stewardship program, continue juvenile salmonid habitat monitoring in the Skeena River estuary and Chatham Sound; protection of sockeye salmon in the heavily exploited fishing sub-areas 4-12 and 4-15 through enhanced oceans monitoring; conduct dungeness crab biosampling to determine the effect that commercial harvest has on food and ceremonial harvest in Stumaun Bay and Big Bay; continue abalone abundance surveys in Lax Kwaxl Conservancy; and continue shellfish biotoxin monitoring and community outreach efforts.



# CONSERVATION FUNDING APPROVED IN 2019



## **Mamalilikulla First Nation**

Guardian Watchman  
Program – 2019 Operations

**\$110,000 approved**

To support continued regional monitoring operations in the Broughton Archipelago with ongoing investment in new Guardian Watchman infrastructure on Village Island as well as continued aquaculture related intertidal assessments specifically for butter clams, little necks and cockles, research at Port Elizabeth on invasive blue mussels, water chemistry analysis throughout the territory in partnership with Hakai Research Institute, continued kelp and eelgrass surveys, and ongoing contribution to the Hama-yas Stewardship Network.



## **Metlakatla Governing Council**

Conservancy Management  
and Lands Guardian Program –  
2019/20 Operations

**\$200,000 approved**

To continue operations of the newly formed Environmental Stewardship Initiatives Department, establishing Metlakatla's Lands-based Guardian program, focusing its conservancy management efforts on Ksgaxl/Stephens Island, Lucy Island, Khtada Lake, and Kyex Conservancy and consultation with other First Nations for at least four other plans drafted in 2018.



## **Wei Wai Kum First Nation**

Stewardship Program Startup

**\$100,000 approved**

To initiate and operate a Stewardship and Guardian Watchman Program throughout Wei Wai Kum territories for seven months, to staff the new program, expanding monitoring research in the Heydon Bay Lake watershed in Loughborough Inlet with a particular focus on salmon enumeration, data collection, and habitat restoration initiatives.



After a major upgrade and renovation, the Lax Kw'alaams-owned Coast Tsimshian Fish Plant re-opened its doors in 2012, quickly becoming the largest employer in the community.

PHOTO BY  
Lisa Girbav

"It's the biggest employer in the community and every year it puts probably a million dollars into wages for the local membership, so it's very important to our local economy in the village."

From Coast Tsimshian Seafood: How Lax Kw'alaams Shifted to a Sustainable and Locally Owned Fishing Industry, published in the Winter 2020 issue of Talking Stick.

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# ECONOMIC DEVELOPMENT FUND

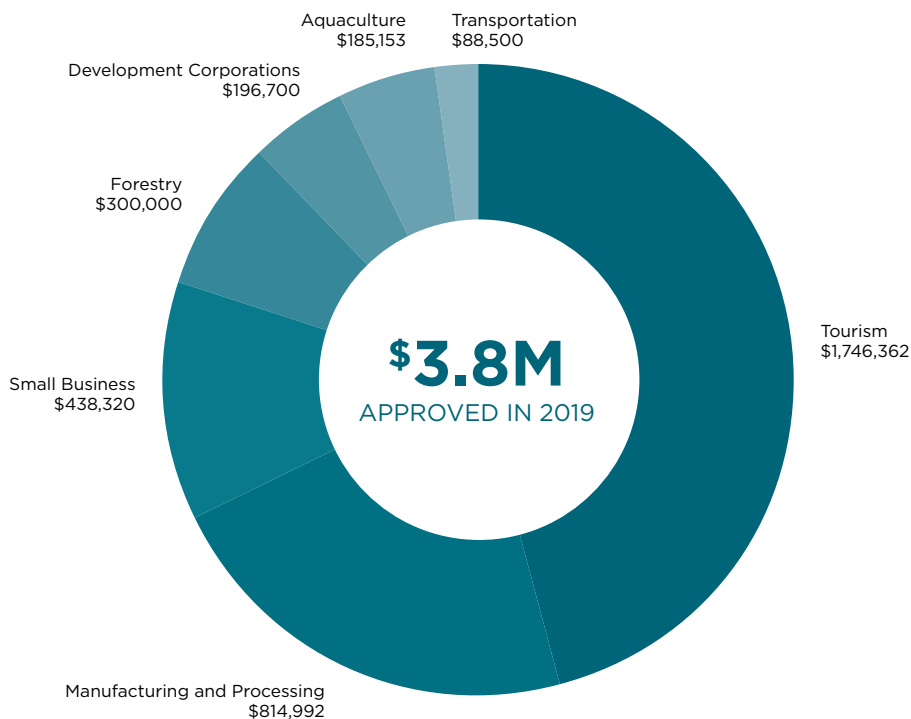
## 2019 Highlights

In 2019, Coast Funds approved \$3,770,027 towards 13 economic development projects, including the 200th approved project in the history of the fund and over \$50 million in approved funding since the funds' inception. These projects are anticipated to leverage \$7,457,824 in additional funding for total new investment of \$11,227,851 into strategic business acquisitions, development of community-owned enterprises, entrepreneurial ventures, and investment in economic infrastructure throughout the Great Bear Rainforest and Haida Gwaii.

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

- Creation of five new businesses and the expansion of three existing First Nations-owned and operated businesses;
- Over \$8 million in new investment into permanent economic infrastructure that will aide community-owned enterprises and entrepreneurs as they develop vibrant local economies across the coast;
- Creation of 146 permanent jobs, including 142 jobs employing First Nations in the region; and
- Support for start-up and expanding operations of businesses that provide 191 permanent jobs, including 161 jobs employing First Nations in the region.

### APPROVED ECONOMIC DEVELOPMENT FUNDING IN 2019



# ECONOMIC DEVELOPMENT FUNDING APPROVED IN 2019



**COAST  
FUNDS**

COAST ECONOMIC  
DEVELOPMENT  
SOCIETY



## **Council of the Haida Nation**

Haida Tourism LP –  
Restructuring and  
Infrastructure Investment

**\$1,200,000 approved**

To transition Haida Tourism LP to a land based eco-tourism operation and to offer health and wellness services to Haida citizens during the tourism off-season providing full-time employment opportunities to community members and aligning the operations with Haida values.



## **Gitmaxmak'ay Nisga'a Prince Rupert/Port Edward Society**

Wilp-Sihoon Commercial  
Smokehouse Start-up – Phase 2

**\$86,713 approved**

To complete the Nisga'a Nation's investment in the start-up of a commercial smokehouse facility for sustainably harvested Nisga'a seafood products in Prince Rupert, including completion of all regulatory requirements and investment in training of new staff to operationalize the business in 2019.



## **Gwawaenuk Tribe**

Floating Crew Lodge Acquisition  
and Expansion in Hegums

**\$301,362 approved**

To invest in the acquisition of a floating crew house to create a new accommodation business at Hegums (Hopetown) on Watson Island in the Broughton Archipelago that will be operated under Kwa-wa-ainek Timber General LP, servicing Interfor Corporation and other contractors operating in Gwawaenuk territory.



## **Heiltsuk Economic Development Corporation**

Heiltsuk Economic Development  
Corporation – 2019/20  
Operations

**\$196,700 approved**

To support operations of the Heiltsuk Economic Development Corporation (HEDC) and its seven subsidiary companies to complete updated business plans for each operating entity; establish a new local economic development fund; streamline the operations and associated overhead of HEDC; to spur new developments including airport terminal improvements, expanded fish plant operations, jet fuel supply and delivery to air transportation companies; and to secure opportunities for sustainable development through active participation in the Hailcistut Reconciliation Process.



## **Heiltsuk Economic Development Corporation**

Predevelopment for  
Construction of a New Bella  
Bella Airport Terminal

**\$88,500 approved**

To fund predevelopment surveys and site preparation that will enable Heiltsuk Tribal Council and Heiltsuk Economic Development Corporation to raise significant public infrastructure investment to expand the airport terminal in Bella Bella, modernizing this vital transportation hub that is relied on by community members, commercial operators, and government agencies for accessing B.C.'s central coast region.



## **Kwikwasut'inuxw Haxwa'mis First Nation**

Predevelopment of Nawalakw  
Experience Centre and Lodge –  
Phase 2

**\$45,000 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.

# ECONOMIC DEVELOPMENT FUNDING APPROVED IN 2019



**Lax Kw'alaams Business Development Ltd.**  
Coast Tsimshian Fish Plant – Infrastructure Improvements

**\$578,279 approved**

To invest in infrastructure improvements of the Coast Tsimshian Fish Plant to support local fishers and seafood processing employees in the community and to save costs on annual maintenance.



**Metlakatla Development Corporation**  
Coastal Shellfish Corporation – Scallop Farm Infrastructure Expansion

**\$175,044 approved**

To further Metlakatla First Nation's development of a shellfish aquaculture industry on the North Coast through Coastal Shellfish LP by acquiring and refitting a specialized vessel for working on subsurface scallops longlines, seeding juvenile scallops, sorting and harvesting mature scallops in order to expand the farming operations, provide additional employment opportunities, and increase scallop sales revenue.



**Nisga'a Lisims Government**  
Start-up of Nisga'a Tourism Corporation

**\$200,000 approved**

To invest in the start-up of Nisga'a Tourism Corporation to serve as a destination marketing organization for the Nass Valley that operates pre-packaged Indigenous cultural tourism experiences marketed to an international audience; the new company's Circle Tours are designed to drive business for local entrepreneurs, Hli Goothl Wilp-Adokshl Nisga'a (the Nisga'a Museum), the community-owned Vetter Falls Lodge, and more.



**We Wai Kai Nation**  
Geoduck Tenure Acquisition and Shellfish Aquaculture Development

**\$10,109 approved**

To create a plan for investment in scallop, seaweed, and geoduck aquaculture; to acquire geoduck tenures that support future investments and commercial partnerships for We Wai Kai; and to trial oyster and abalone shellfish aquaculture in We Wai Kai territory.



**West Chilcotin Forest Products Ltd**  
Residual Wood Fibre Recovery Business Start-up

**\$300,000 approved**

To create a new line of business that recovers wood fibre residues that are otherwise left in the forest from commercial logging operations and burned, and instead harvest this unused wood fibre and supplying it to commercial pulp and paper facilities, diversifying the company's revenue streams and reducing greenhouse gas emissions in Ulkatcho territory.



**West Chilcotin Forest Products Ltd**  
Wild Mushroom Processing and Distribution Start-up

**\$150,000 approved**

To create and start-up a new non-timber forest products business operating in the West Chilcotin region focusing on sourcing sustainably harvested pine and morel mushrooms from independent harvesters licensed to operate in Ulkatcho territory; adding value to the product through branding, processing and packaging; and centrally managing all aspects of sales and shipping to wholesale and retail distributors in domestic and international markets.



**Wuikinuxv Economic Development Corporation**  
Waanukv Silver Sockeye Economic Opportunity Fishery Business Start-up

**\$438,320 approved**

To invest in the start-up Waanukv Silver LP, under the management of Wuikinuxv Economic Development Corporation, to establish a community-based fishery with two economic opportunity fishing licenses for four families in Rivers Inlet, targeting up to 15% of the sockeye salmon return on the Waanukv River, and supporting the community-based fishery as a broker and processor supporting the families that will lease-to-own their vessels.



“Since SHARE began working with Coast Funds in early 2018, we have seen the organization set a new standard in Canada among investment organizations through its efforts to align their investments with their values, including reconciliation.”

Shannon Rohan, Chief Strategy Officer at Shareholder Association for Research & Education (SHARE). In August 2019, Coast Funds set a new Canadian standard for socially responsible investment guidelines by developing and adopting new shareholder voting directives that promote recognition of Indigenous Rights by the boards of publicly traded companies.





# FINANCIAL PERFORMANCE

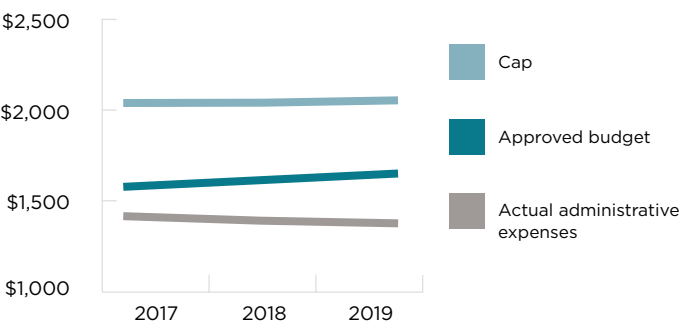
## 2019 Highlights

Coast Funds strives to adhere to best practices in corporate governance while ensuring its operations are efficient and cost effective. In 2019, the following were noted in finance and administration:

- The Coast Economic Development Society (the economic development fund) expensed \$1.6 million in project funding and the Coast Conservation Endowment Fund Foundation (the conservation fund) expensed \$3.2 million in project funding.
- In 2019, the conservation fund saw the highest year of investment income in its history. With the strong performance of equities during the year, the conservation fund's portfolio's performance was 13.4%, exceeding the benchmark by 2% and fund objective by 9%.
- The economic development fund is invested more conservatively than the conservation fund given its short time frame, resulting in lower returns than a more diversified portfolio. The economic development fund's investment income performance for 2019 was 3%, exceeding the benchmark and fund objective by 0.4%. The economic development fund added a new fund in 2019 to manage the Renewable Energy for Remote Communities program in partnership with the Ministry of Energy, Mines and Petroleum Resources under the Province of B.C.'s CleanBC initiative.
- Coast Funds complied with all statutory, regulatory, and governing document agreements, as well as all policies and bylaws. The conservation fund implemented sector-leading proxy voting guidelines for its portfolio managers to advocate for the rights of Indigenous Peoples, in Canada and globally.

## 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. Through grant contributions from founding funders, Coast Funds managed to operate further programs while minimizing operating costs.



All dollar figures are expressed in thousands.

PHOTO PREVIOUS PAGE

A gyaaGang monumental pole raised in 2017 in honour of the ancestors who occupied Tlielang Hiellen Village Site beside Hl'yaalang Gandlee, the river that runs beside Taaw Tow Hill, Haida Gwaii.

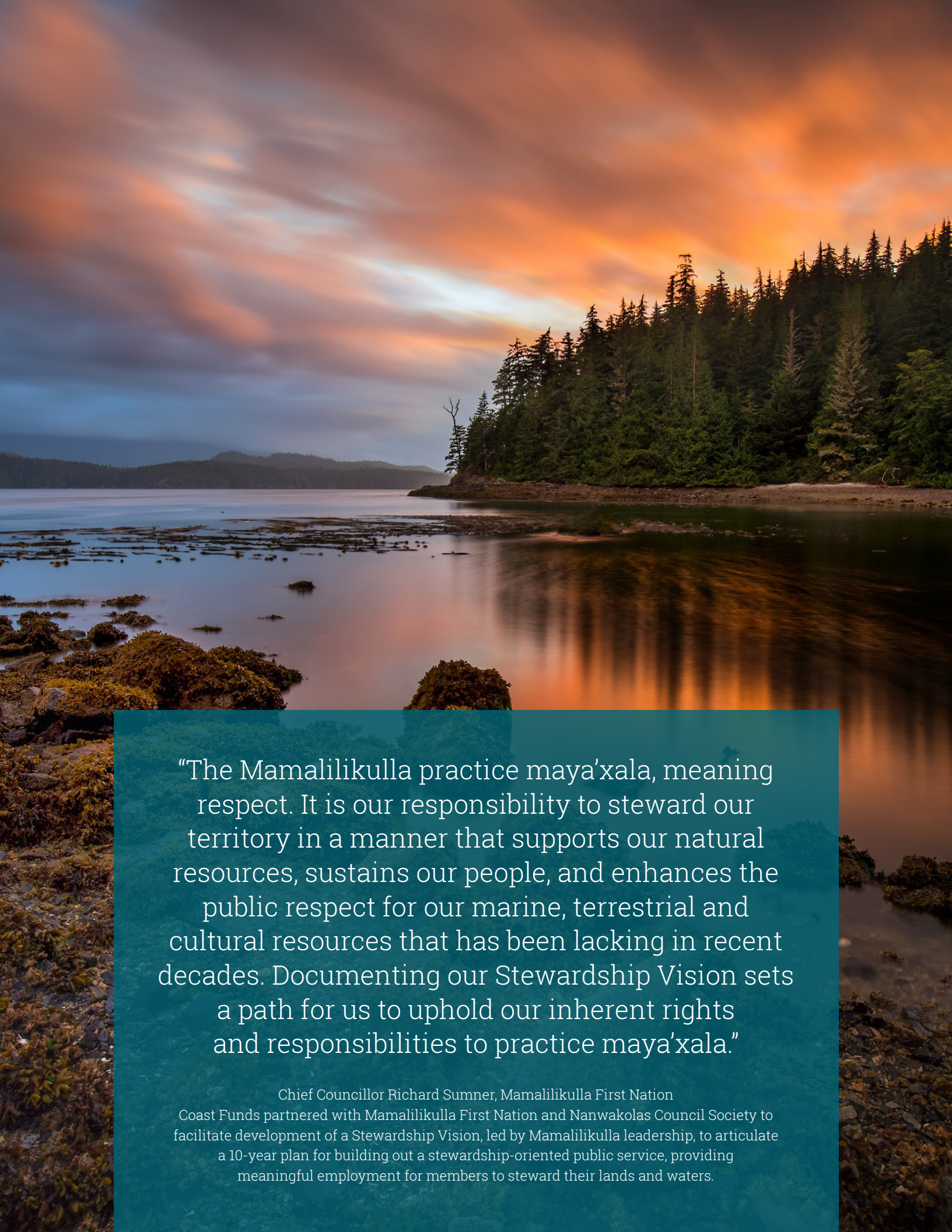
PHOTO BY  
Brodie Guy

PHOTO RIGHT

White Beach Cove, Compton Island, in the homelands of the Mamalilikulla First Nation

PHOTO BY  
Dennis Heckman





“The Mamalilikulla practice maya’xala, meaning respect. It is our responsibility to steward our territory in a manner that supports our natural resources, sustains our people, and enhances the public respect for our marine, terrestrial and cultural resources that has been lacking in recent decades. Documenting our Stewardship Vision sets a path for us to uphold our inherent rights and responsibilities to practice maya’xala.”

Chief Councillor Richard Sumner, Mamalilikulla First Nation

Coast Funds partnered with Mamalilikulla First Nation and Nanwakolas Council Society to facilitate development of a Stewardship Vision, led by Mamalilikulla leadership, to articulate a 10-year plan for building out a stewardship-oriented public service, providing meaningful employment for members to steward their lands and waters.



# CONSERVATION FUND PERFORMANCE

## Results from Operations

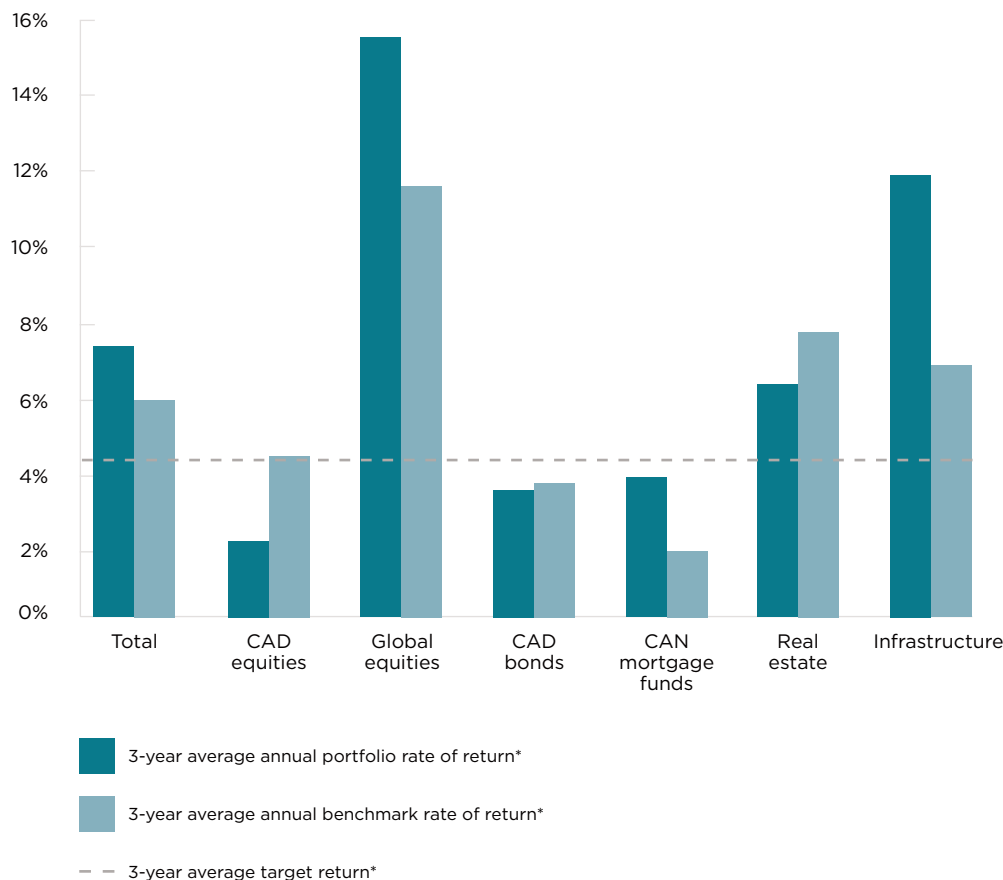
In 2019, the excess of revenue over operating expenses was \$9,085,000, the highest in any single year since its inception. While investment income has been volatile over the last three years, operating expenses remain relatively stable from year to year.

## Investment Income

The conservation fund's allocation mix was further diversified in 2019, 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 2019, the overall rate of return was 13.4%, 2% higher than the 2019 benchmark. The funds' average annual rate of return for the last three years was 7.6%, which is higher than the benchmark's three-year average annual rate of return of 6%.

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



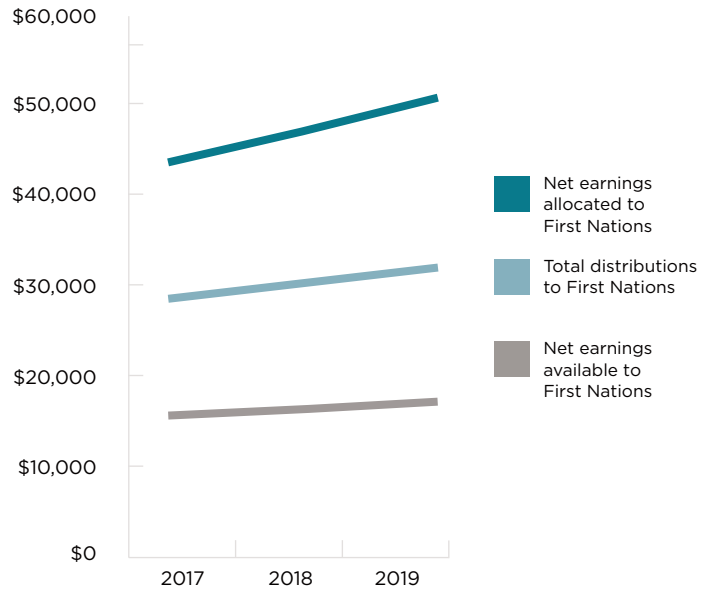
*\*Net of investment management fees*



## 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 disbursements and allocations held will close over the coming years as First Nations continue to build stewardship efforts and undertake conservation initiatives.

The revenue and regional conservation funds totalled \$26.7 million at December 31, 2019, of which \$16.7 million has been allocated to First Nations but not yet disbursed to approved conservation programs or projects. The remaining balance of \$10 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 2009 to 2019, the conservation fund has provided First Nations with over \$35 million in funding.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Opening Fund Balance	\$64,823	\$68,258	\$66,829	\$69,305	\$73,783	\$75,425	\$73,434	\$74,978	\$78,992	\$76,865
Contributions	4	10	11	13	11	11	10	10	6	11
Net Investment Income	5,877	1,393	6,008	9,166	8,178	3,803	5,114	6,846	700	9,489
Operating Expenses	(316)	(399)	(478)	(427)	(384)	(525)	(495)	(472)	(471)	(403)
Awards Expense	(2,130)	(2,433)	(3,065)	(4,275)	(6,163)	(5,278)	(3,085)	(2,370)	(2,412)	(3,209)
Closing Fund Balance	\$68,258	\$66,829	\$69,305	\$73,783	\$75,425	\$73,434	\$74,978	\$78,992	\$76,865	\$82,753

All dollar figures are expressed in thousands.



# CONSERVATION FUND PERFORMANCE

## Statement of Financial Position at December 31, 2019

	2019	2018
<b>Assets</b>		
Current assets		
Cash	\$ 4,769,188	\$ 2,126,730
Prepaid expenses	14,666	12,018
Government and other receivables	18,685	19,668
Short-term investments	1,942,616	-
	<u>6,745,155</u>	<u>2,158,416</u>
Property and equipment	8,562	10,313
Intangible asset	-	15,276
Investments	79,056,407	76,671,954
	<u>\$ 85,810,124</u>	<u>\$ 78,855,959</u>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued liabilities	\$ 56,761	\$ 88,439
Deferred revenue	196,551	62,500
Due to Society	273,054	191,239
Accrued project funding distribution	2,530,790	1,648,465
	<u>3,057,156</u>	<u>1,990,643</u>
Net assets		
General	98,088	86,618
Externally restricted		
Revenue fund	26,667,055	20,790,873
Regional conservation planning fund	159,210	159,210
Conservation endowment fund	55,828,615	55,828,615
	<u>82,752,968</u>	<u>76,865,316</u>
	<u>\$ 85,810,124</u>	<u>\$ 78,855,959</u>

## Statement of Operations and Changes in Net Assets at December 31, 2019

	General	Revenue fund	Regional conservation planning fund	Conservation endowment fund	2019 Total	2018 Total
<b>Revenue</b>						
Contributions	\$ 168,143	\$ -	\$ -	\$ -	\$ 168,143	\$ 56,000
Net investment income	-	9,487,895	-	-	9,487,895	699,547
	<u>168,143</u>	<u>9,487,895</u>	<u>-</u>	<u>-</u>	<u>9,656,038</u>	<u>755,547</u>
<b>Expenses</b>						
Administration	19,167	20,104	-	-	39,271	25,955
Projects	-	3,208,925	-	-	3,208,925	2,411,606
Capacity	-	-	-	-	-	-
Communications	23,782	19,319	-	-	43,101	18,538
Cost sharing with the Society	14,724	171,849	-	-	186,573	166,498
Facilities and equipment	477	149,320	-	-	149,797	144,300
Personnel	64,616	-	-	-	64,616	37,669
Professional fees	33,907	42,196	-	-	76,103	77,868
	<u>156,673</u>	<u>3,611,713</u>	<u>-</u>	<u>-</u>	<u>3,768,386</u>	<u>2,882,434</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>11,470</u>	<u>5,876,182</u>	<u>-</u>	<u>-</u>	<u>5,887,652</u>	<u>(2,126,887)</u>
<b>Net assets, beginning of year</b>	<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>
<b>Net assets, end of year</b>	<u>\$ 98,088</u>	<u>\$ 26,667,055</u>	<u>\$ 159,210</u>	<u>\$ 55,828,615</u>	<u>\$ 82,752,968</u>	<u>\$ 76,865,316</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/](http://www.coastfunds.ca/resources/annual-reports/)



A group of tourists in motorboats are on a river, watching a grizzly bear on the opposite bank. The tourists are wearing red life jackets and are seated in the boats. The bear is standing on a rocky, debris-strewn bank. The background is a dense forest of tall evergreen trees. A teal text box is overlaid on the top right of the image.

“Knight Inlet Lodge is 100 percent First Nations owned and it opened up our eyes to opportunities beyond resource extraction and shone a light on the opportunities and benefits of ecotourism.”

Dallas Smith, President of Nanwakolas Council and Knight Inlet Lodge

Tourists travel from around the world to experience beautiful Da'naxda'xw First Nation territory, including Grizzly bear viewing in Glendale Cove, Knight Inlet.

PHOTO BY  
Brodie Guy



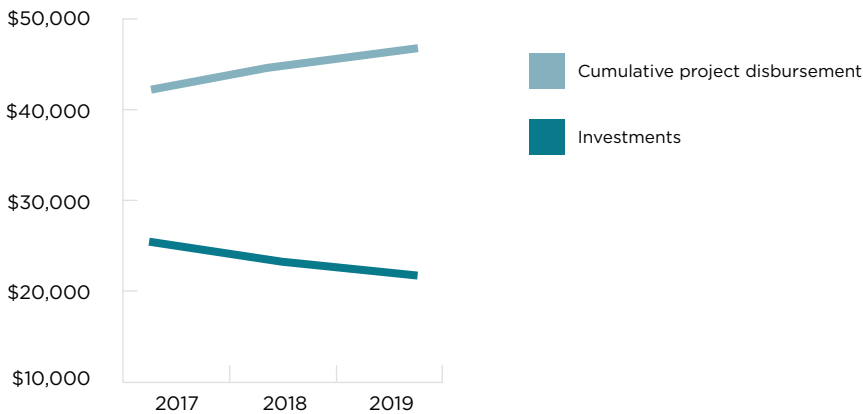
# ECONOMIC DEVELOPMENT FUND PERFORMANCE

## Results from Operations

In 2019, the deficiency of revenue over operating expenses was \$0.3 million, consistent with the prior year. The nominal returns in 2019 resulted from the portfolio being invested in fixed income assets. A new fund was created in 2019 to manage the Renewable Energy for Remote Communities program in partnership with the Ministry of Energy, Mines and Petroleum Resources under the Province of B.C.'s CleanBC initiative.

## 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 project funding is disbursed.

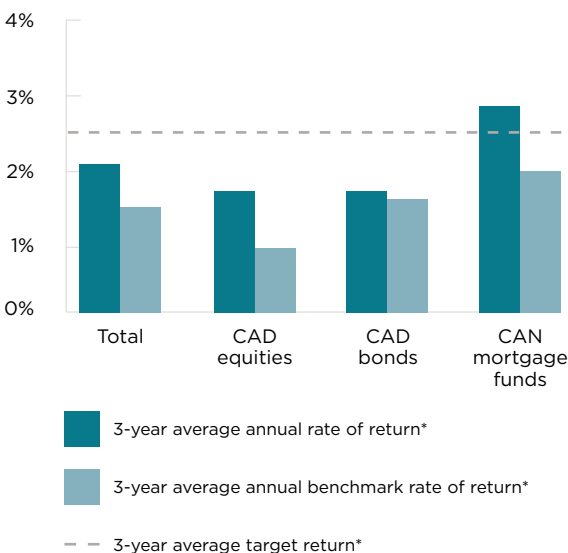


All dollar figures are expressed in thousands.

The economic fund was divested from equities in 2018 to protect the remaining capital in the Society from equities market volatility. Interest rates were flat throughout 2019, 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 2019, the overall rate of return was 3%, a 0.3% increase against the 2018 rate of return. The average annual rate of return for the last three years was 2.2%, which is higher than the benchmark's three-year average annual return of 1.9%.

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



\*Net of investment management fees

## ECONOMIC DEVELOPMENT FUND: YEARLY FUND BALANCES

From 2008 to 2019, the economic development fund has provided First Nations with over \$47 million in funding.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Opening Fund Balance	\$63,245	\$60,222	\$55,967	\$50,456	\$47,102	\$41,659	\$35,849	\$26,720	\$25,319	\$22,712
Contributions	-	-	-	-	-	-	-	-	-	9,000
Net Investment Income	2,879	1,441	1,328	1,592	1,894	643	871	331	513	670
Operating Expenses	(927)	(968)	(1,235)	(1,014)	(975)	(974)	(1,069)	(872)	(860)	(1,110)
Awards Expense	(4,975)	(4,728)	(5,605)	(3,932)	(6,362)	(5,479)	(8,931)	(860)	(2,260)	(1,639)
Closing Fund Balance	\$60,222	\$55,967	\$50,456	\$47,102	\$41,659	\$35,849	\$26,720	\$25,319	\$22,712	\$29,633

*All dollar figures are expressed in thousands.*

The decrease in funding expensed in 2019 was attributed to timing differences, compared with funding expensed in the prior year. On a three-year basis, the economic development fund continues to expense funds at a rate comparable to historic levels, despite ongoing reductions to the annual opening fund balance.



# ECONOMIC DEVELOPMENT FUND PERFORMANCE

## Statement of Financial Position at December 31, 2019

	2019	2018
<b>Assets</b>		
Current assets		
Cash	\$ 11,163,122	\$ 1,174,684
Interest receivable	9,555	-
Short-term investments	3,120,852	5,499,649
Due from the Foundation	273,054	191,239
Other assets	9,691	2,656
	<u>14,576,274</u>	<u>6,868,228</u>
Investments	16,464,561	17,018,855
Property and equipment	2,130	3,044
	<u>\$ 31,042,965</u>	<u>\$ 23,890,127</u>
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 286,405	\$ 130,611
Accrued project funding distribution	1,123,350	1,047,768
	<u>1,409,755</u>	<u>1,178,379</u>
Net assets		
Externally restricted		
Renewable energy for remote communities fund	8,829,912	-
Federal revenue fund	6,104,510	6,374,394
Regional economic development planning fund	193,668	193,668
Federal economic development fund	14,505,120	16,143,686
	<u>29,633,210</u>	<u>22,711,748</u>
	<u>\$ 31,042,965</u>	<u>\$ 23,890,127</u>

## Statement of Operations and Changes in Net Assets at December 31, 2019

	Renewable Energy for Remote Communities fund	Federal revenue fund	Regional economic development planning fund	Federal economic development fund	2019 Total	2018 Total
<b>Revenue</b>						
Net investment income	\$ 10,171	\$ 659,964	\$ -	\$ -	\$ 670,135	\$ 513,222
Contributions	9,000,000	-	-	-	9,000,000	-
	<u>9,010,171</u>	<u>659,964</u>	<u>-</u>	<u>-</u>	<u>9,670,135</u>	<u>513,222</u>
<b>Expenses</b>						
Administration	15,568	59,229	-	-	74,797	75,058
Board expenses	4,250	167,497	-	-	171,747	125,317
Capacity and support services	-	-	-	-	-	6,500
Communications	-	40,713	-	-	40,713	40,380
Facilities and equipment	32,324	2,450	-	-	34,774	3,794
Personnel	95,000	783,435	-	-	878,435	741,210
Professional fees	28,742	67,472	-	-	96,214	34,700
Projects	-	-	-	1,638,566	1,638,566	2,259,600
	<u>175,884</u>	<u>1,120,796</u>	<u>-</u>	<u>1,638,566</u>	<u>2,935,246</u>	<u>3,286,559</u>
Payment to (recovery from) the Foundation	4,375	(190,948)	-	-	(186,573)	(166,498)
	<u>180,259</u>	<u>929,848</u>	<u>-</u>	<u>1,638,566</u>	<u>2,748,673</u>	<u>3,120,061</u>
<b>Excess (deficiency) of revenue over expenses</b>	<u>8,829,912</u>	<u>(269,884)</u>	<u>-</u>	<u>(1,638,566)</u>	<u>6,921,462</u>	<u>(2,606,839)</u>
<b>Net assets, beginning of year</b>	-	6,374,394	193,668	16,143,686	22,711,748	25,318,587
<b>Net assets, end of year</b>	<u>\$ 8,829,912</u>	<u>\$ 6,104,510</u>	<u>\$ 193,668</u>	<u>\$ 14,505,120</u>	<u>\$ 29,633,210</u>	<u>\$ 22,711,748</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/](http://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, Nanwakolas Council

### **Ross McMillan**

Member on behalf of Private Funders

### **Jennifer Melles**

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

### **David Parnell**

Prince Rupert Regional Representative,  
Haida Nation (Non-Voting)

### **Káwázit Marilyn Slett**

Chief Councillor, Heiltsuk Tribal Council

### **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 the Haida Nation on the Haida Gwaii Management Council. For the past 25 years, Percy has worked as a liaison between the Council of the Haida Nation (CHN), the Province, and the forestry industry in various roles. In this position, he has acted as Chair and Committee Member on the Executive, Heritage and Natural Resources, Cultural Wood, Protected Areas, and HaiCo Recommendations Committees. He has held executive positions on the boards of Gwaii Trust, Gwaii Forest Charitable Trust, and Haida Gwaii Community Futures. Percy has an extensive background in forestry, presently working for the BC Ministry of Forests, Lands, Natural Resource Operations and Rural Development as a Senior First Nations Liaison.



**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. 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 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.



**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 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 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, provincial negotiator with First Nations in 2004 and 2005, and since 2006 has worked on ecosystem-based management implementation with the Nanwakolas Council. In 2008, he was ordained as a deacon in the Anglican church.



**Christina Gray** is a Ts'msyen member of Lax Kw'alaams in northern British Columbia as well as Dene-Métis from Łutsek'e in the Northwest Territories. She is currently completing a Masters of Law at the University of Victoria Faculty of Law. Ms. Gray received her Juris Doctor degree from the University of British Columbia Peter A. Allard School of Law in 2013. She was subsequently called to the bar with the Law Society of Ontario in 2015. Her legal experience includes articling at Aboriginal Legal Services in Toronto, working as a human rights lawyer, and a Senior Research Associate at the Centre for International Governance and Innovation in Waterloo, Ontario.



**Ts'xwiixw Megan Moody** started working for her community as the Nuxalk Fisheries Manager in 2001 after completing her B.Sc. (Biology) at the University of Victoria. In 2008 she began working more broadly with First Nations communities as a Biologist for the Central Coast Indigenous Resource Alliance after finishing her M.Sc. from the University of British Columbia. From 2013-2017 she returned home to Bella Coola to work for the Nuxalk Nation as their Stewardship Director. Currently Megan works with Coastal First Nations, as a manager of their Stewardship Directors Committee. Megan was an elected Councilor of the Nuxalk Chief and Council (2013-2017).



**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 and while working for the provincial government 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.



**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. Barbara has worked to develop a training program for the Guardian Watchmen programs of the coast. 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 completed her Master of Arts in Education through Simon Fraser University.

# 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** Over the past decade, Brodie has worked in partnership with First Nations in the start-up of First Nations' stewardship authorities that operate across the region. He has facilitated equity investments into a number of strategic business acquisitions and has informed the governance and management of many First Nations development corporations. Brodie holds a Chartered Director (C.Dir.) designation from McMaster University, and a Bachelor of Commerce from the University of Victoria. He serves on the board of The Circle on Philanthropy and Aboriginal Peoples in Canada and as an advisor to government and philanthropic organizations across the country.



**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. 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 a CPA, CA, and holds a Bachelor of Business Administration from Simon Fraser University.



**Raine Playfair, Stewardship and Governance Specialist** As Stewardship & Governance Specialist, Raine supports First Nations to pursue their impactful stewardship and economic development projects by effectively guiding and administering the application and reporting process. Raine also coordinates all aspects of Coast Funds' governance, provides strategic leadership in project development, and offers communications support. Prior to Coast Funds, Raine managed species-protection conservation initiatives and oversaw corporate and fundraising communications at Grizzly Bear Foundation. She developed a community well-being lens during her time at engineering and planning firm Urban Systems. Raine's passion for community building and stewardship drives her vision for a thriving conservation economy.



**Shehin Rahemtulla, Renewable Energy Specialist** As Renewable Energy Specialist, Shehin supports First Nations in the Great Bear Rainforest and Haida Gwaii in transitioning their fossil fuel-dependent electrical grids to renewable energy sources. Shehin has a background in renewable energy engineering, specializing in microgrid design, feasibility, and technical due diligence. Prior to joining Coast Funds, she worked for Wood Clean Energy, Innergex Renewable Energy, BC Hydro Applied Innovation, Suncor, the UBC Clean Energy Research Centre, and Engineers Without Borders.



**Laura Hope, Communications Manager** As Communications Manager, Laura works with First Nations to share the knowledge, experience, and stories of their sustainable economic development and stewardship 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, and a Master of Arts in Professional Communication.



**Celina O'Connor, Communications Specialist** As Communications Specialist, Celina supports First Nations in sharing the many inspiring success stories coming out of the Great Bear Rainforest and Haida Gwaii. Prior to joining Coast Funds, she worked for several non-profit, public sector, and government organizations, including West Vancouver Memorial Library, the BC Ministry of Health, Big Brothers/Big Sisters, and Sierra Club BC. Celina has a Bachelor of Arts in Anthropology, a Master of Arts in Professional Communication, and a Diploma in print/digital publishing.



**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.

OVERLEAF  
Herring spawn in Seaforth Channel  
in Hálzaqv territory, March 2019.  
PHOTO BY  
Brodie Guy





# COAST FUNDS

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FIND OUT MORE AT:

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