Huu-ay-aht First Nations
2011/2012 Annual Report

The Huu-ay-aht envision a strong, self-governing and self-reliant Nation. Iisaak will guide us as we work together to foster a safe, healthy and sustainable community; where our culture, language, spirituality and economy flourish for all.

Greetings from the Executive Director

Welcome to the Second Peoples Assembly in the House of Huu-ay-aht. This past year the Administration and Personnel have experienced many challenges. It was a year that many changes were made and new policies adopted. Through the difficulties came a greater unity for the organization. With the mistakes came valuable lessons that will not be forgotten. It is at this time that one can reflect back over the past months of the year and feel good about the accomplishments that one has made; the tests they have passed; the strength they did not realize they had and see the growth within one's self and the organization.

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1. Strategic Plan

The government regards the current strategic plan as a plan of action for the future and has identified several areas that need to be addressed at a strategic level. This document addresses four main topics: (a) Citizen Development, (b) Service Delivery, (c) Infrastructure and (d) Economic Development.

(a) Citizen Development

It is our intention to partner and collaborate with other agencies, First Nations and support to create cost efficient and effective programming.

Education of citizens is a major priority for the Huu-ay-aht First Nations. We plan to offer continued support and encouragement of education for all citizens including early child development, kindergarten to graduation and post-secondary. We have implemented a new post-secondary education policy that includes trades, adult basic education and allows funding for citizens living in the United States. One new area the Huu-ay-aht First Nations will be engaging in over the next year is advocating for changes in the BC school system. This includes ensuring that school curriculum reflects First Nations values and educating children about the true history of First Nations people in Canada. We continue to collaborate with School District 70 to continue to provide services at the Bamfield Community School and the Soaring Eagle Community Centre.

The health and well-being of the people is always a priority. As we move forward as a self-governing Nation we will focus on the emotion and social health of the people. We will facilitate programs and workshops that will begin healing the Spirit of those affected by the Indian Residential School including the extended family. It is through acknowledgement and healing that we can once again become a strong Nation ready to face the opportunities and challenges that the coming years will bring. Prevention is the best model for assisting people in making healthy choices in day to day routines, avoidance of substance use and offering opportunities for healthy lifestyle choices. The Huu-ay-aht First Nation will research and implement strategies that focus on empowerment, motivation, communication building, emotional, social and physical well-being.

The Huu-ay-aht First Nation believes that children are among our greatest resource and will be working with USMA Child and Family Services to create a Protocol agreement that will better address the Huu-ay-aht values as well as the social and emotional needs of families. Keeping children safe will always be the priority but reducing trauma caused by intervention to families is critical. The Huu-ay-aht First Nation will begin the work towards drawing down jurisdiction on governing Child Protection under our Maa-nulth Treaty Agreement.

(b) Service Delivery

The Huu-ay-aht First Nation recognizes that internal and external communications are essential components to a healthy Huu-ay-aht community. A comprehensive Communications Strategy has been drafted and will be implemented to ensure continued healthy, positive and meaningful relationships between Huu-ay-aht government, staff and citizens. The Huu-ay-aht Administration has been working on a revamp of our Huu-ay-aht website and plan to go live with it as soon as work is complete.

One important part of the communications strategy is to assist citizens to understand all the benefits available to them under Treaty (ie: fishing, harvesting) and how to access these rights. We have new Acts coming into force on April 1, 2013, in particular, the Freedom of Information and Protection of Privacy Act. We will work to ensure understanding of this important Act.

Another strategy in our communications plan is to ensure that citizens have access to their elected officials. The Huu-ay-aht First Nation also believes in accountability and transparency and plan to hold regional meetings to provide an information sharing forum.

(c) Infrastructure

In the Community of Anacla the Housing and home ownership has been broken out into rentals or long term leases. The folks that own leases have taken on the responsibility of their own maintenance and repairs, the Nation is preparing to support our home and land owners in developing knowledge and skills to make improvements to their living conditions, and to make their houses into homes. We can expect to see resources in the form of workshops, and a home maintenance library covering repair, renovation, and landscape will be established. For community members who need minor or major renovations there will be support to access available CMHC grants, as well as grants for mobility and safety aids to assist the elderly or for folks with mobility challenges.

The regulations in the Land use plan that cover the housing are being revised to support and facilitate the actual market value of the lease owned holdings so that financial institutions will recognize the value of, and allow folks to use their leases as capital, to borrow against, to make repairs or renovations or, to sell their lease at a fair market value.

The Nation continues to develop the infrastructure to support the development of our subdivision in upper Anacla. Recent upgrades to the water system include a new reservoir that develops fire fighting water pressures, providing protection for our whole community and the basic resources needed for expansion. The continuing Sewage project is the next building block in the foundation of our vision of a prosperous healthy community.

For the existing community, the necessities of life will be provided for by; ensuring our drinking water meets required standards, and septic and disposal fields are operating correctly.

We are developing options for the removal of solid waste, initiatives include a recycling and composting program.

The condition of our roads is an ongoing concern; efforts to improve our transportation infrastructure are underway; new culverts, drainage, and a new road surface is being provided for Nookemus road to improve the access to the Community service Building and the House of Huu-ay-aht.

Our Fire Services are being provided by the Bamfield Volunteer Fire Department, who has agreed to accept volunteers from our community. Training and personal protective gear will be provided by the Fire department, a membership drive will be focused on the Anacla residents to develop a team of first responders to assist in both Bamfield and Anacla when emergencies happen. In preparation for the event of community wide disasters such as tsunami, earthquake or wildfire, we are seeking the most cost effective way to provide emergency service and planning. We can expect to see community education offered in Emergency Services training to develop the resources in our residents. Our involvement in the provincial programs has us integrated into several levels of Regional and District Emergency Boards, including; the provincial Wildfire Protection Program which provides coverage of our land in case of a wild fire. A community Wildfire protection plan is being developed to provide a safe zone of a two kilometer radius surrounding the Village of Anacla; in which the forest would be managed to reduce the threat of wildfire taking over our community.

(d) Economic Development

The Lands Department will endeavor to complete the work it will take to set the Annual Allowable Cut for logging on Treaty Settlement Lands; also what work needs to be done to prepare a 5 year plan for harvesting to support the Huu-ay-aht Forestry Company.

The Lands Department will:

- promote to the Huu-ay-aht Development Corporation Economic Opportunities like the Commercial Recreation Tenures.
- develop Permits for the following Non-timber forest products, firewood/cultural wood access; hunting/fishing; recreation.
- promote to the Huu-ay-aht Citizens Economic Opportunities like the Commercial Recreation Tenures leased to individuals and companies (not just HDC).
- develop permits for citizens for harvesting opportunities (all of above).
- develop a Management Plan to implement the opportunities within the Monumental Cedar Cypress Agreement; to facilitate Barter and Trade Opportunities with other First Nations in Canada.

- develop Access Licenses/Permits for visitors that would like a Cultural Interpretation Experience,
- work together with support of Government to encourage Citizens to start; Local Business, B&B's, Subletting of Life Leases, etc.
- with support of Government will review pros and cons regarding Property and Real Estate Markets, Non-citizens get taxed on TSL property, enabling regulations in place now.

2. Committee Reports

(a) Citizenship

The Citizenship Committee consists of Derek Peters (Chair/Tayii Ha'wilth/Councillor), Jeff Cook (alternate), Judy Johnson, Benson Nookemus, and Marjorie White. Resource to the Committee was Tina Charles.

The Committee continues to review and apply Citizenship criteria to applicants; and has customized the forms and applications to be more user friendly. Tina Charles has been the support to the Committee.

(b) Citizen Development

The Citizen Development Committee consists of Sheila Charles (Chair), Kathy Happynook, Ed Johnson, Tommy Joe and Darlene Nookemus.

Post-Secondary Policy
I am so excited to report the new changes that were made by the Citizen Development Committee to the Post-Secondary Policy. We have reviewed the NTC policy and made changes to suit Huu-ay-aht student's needs.

School Supply Allowance
The School Supply Allowance was improved significantly. We included (K)-12 to receive a school supply allowance and increased the allowance for K-5 from $25 to $50 and to receive this as a gift card from Staples. Grades 6-12 remain at $100 per person.

Post-Secondary Recognition Reward
We restructured the Post-Secondary Recognition Reward to reflect student's accomplishments, and it is now based on your level of achievements.

NETP Summer Youth Program 2012
We were successful at gaining funding for seven youth employment opportunities. This was regarded as a successful summer program and we hope to continue finding funds and supporting youth employment programs.

Enactment of Residential Lease Regulation and Social Housing Regulation
The purpose of the Housing Regulations applies to all existing and future social housing units on Huu-ay-aht Lands and is enacted to establish a fair and effective framework to provide quality, affordable housing to Huu-ay-aht citizens in need. With the signing of these new leases there is no pressure for Anacla citizens to move to upper Anacla.

Enactment of Citizen Development Regulation
The purpose of the Citizen Development Regulation is to establish an administrative review that will assist in encouraging and enabling Huu-ay-aht citizens to reach their full potential. At the recent Strategic Planning session Executive Council and Directors all agreed that we needed to focus on healing citizens spirits by focusing on health & wellness.

Nuu-chah-nulth Education and Training Program
We received funding this year to provide training for the West Coast Trail Guardians. It was a great turn out and well received and the Guardians have requested training every year. We hope to find funds and provide training every year for the safety of their jobs and knowledge & history to help in protecting HFN land on the West Coast Trail.

(c) Co-operative Management Board CMB (Parks Canada)

Pink Sand Verbena was planted in the Keeha dunes this summer with an HFN employee supervising. This is one species at risk that we are trying to save. So far it has been reported that the Pink Sand Verbena is growing, so it is looking successful.
Another project was on Sea Bird Rocks where the birds were depleting. It turned out the river otters were killing off the species so half of the river otters have been trapped & destroyed and the pelts will be used for HFN ceremonies.

(d) Culture and Language

The Culture and Language Committee consists of Jack Cook (Chair), Derek Peters (Tayii Ha'wilth/Councillor).

Huu-ay-aht have been preparing for Ta'yii Ha'wiih Derek Peters potlatch, October 13th, 2012, held at House of Huu-ay-aht. There are also plans for Huu-ay-ahts to continue having dance practices at the Port Alberni Friendship Center.

The Language program was a great success for all of 2010 – 2011. The students of the first year formed their own non-profit group, the Quuquuatsa Language Society, to administer the Nuu-chah-nulth language program.

At the Nuu-chah-nulth tribal council 2011 – 12 budget meeting, the Quuquuatsa Language Society, with the assistance from Chief Councillor Jeff Cook, made a presentation requesting support and financial assistance from all nations to continue the language program.

With the support from the nations, the second year has two classes. One class is for the beginners and the second class for the second year students.

The Naanaaniiqsu Grandparents Society had raffles to assist with costs for attending the B.C. Elders gathering in Abbotsford. A BIG "thank you" to all those who donated items for the raffles. All of the elders who attended enjoyed the trip meeting friends and making new friends.

The 2013 Gathering will be at Prince George B.C. There are plans to continue with various fund raising events to assist with travel costs for those that will be attending.

(e) Economic Development

Members of Council for the Economic Development Committee include John Jack (Chair, Councillor) and Derek Peters (Member, Tayii Ha'wilth/Councillor); Committee Members: John Jack (Chair), Derek Peters, Ed Johnson Senior and John Mass.

Committee members are also members of the Board of Directors of the Huu-ay-aht Development Corporation; who, in a separate meeting each month, oversee the operation of Huu-ay-aht commercial enterprises such as the forestry company, the Pachena Bay Campground and Gravel Pit.

Meetings from April 2012 to September 2012 number at seven regular meetings and four special meetings (with government and administration to discuss strategic planning and possible restructuring).

The new Vision for Economic Development is "*Together, the Huu-ay-aht Economic Development Committee and Development Corporation strive to achieve a flourishing Huu-ay-aht economy through initiatives that provide sustainable benefits for all.*"

The Committee focused primarily on the need for managerial separation of the Nation and the Companies; as well as the development, maintenance and review of agreed-upon Economic Development Projects.

Discussions with HFN government and administration culminated in a proposal to adopt what we have come to call "the Eight Recommendations" that include the adoption of an Economic Development Act, which will better define the relationship, roles and boundaries between the government and the businesses as well as a formal legal agreement between the government and corporation on the nature of governance, profit distribution and other important decision making.

Huu-ay-aht Economic Development Project List (Higher Priority)

- Sarita Microhydro Project (Run-of-the-River Independent Power Project)
- Possible acquisition of Bamfield Store and Restaurant

- Development of a Pachena Bay area Store/Café/Gas Station/Parkade

Huu-ay-aht Economic Development Project List (Regular Priority)
- Cultural Tourism (Trails, Tours, Kayaking, etc.)
- Shellfish Aquaculture
- Real Estate Development (On and Off TSL)
- Port Alberni Investment Project (Office Space in Port Alberni)

Huu-ay-aht Economic Development Project List (Contingent Priority)
- Forestry Harvest on TSL
- Internet Service Provision for Anacla

The number one challenge faced by the Economic Development Committee and the Huu-ay-aht Development Corporation has been the adoption, development and maintenance of efficient and effective financial information systems and financial reporting. This predicament was the result of many smaller challenges in both the Nation and the companies, many of which could have been avoided with stronger and earlier allocation of financial and human resources. It came to the point where the financial information was not sufficient to be audited correctly, and this was identified as needing to be corrected as soon as possible. At the time of this report (early October), Executive Council approved the allocation of appropriate resources to address this concern, but it is uncertain whether the audit will be in this materials kit or sent out some time later (but still before the date of the People's Assembly).

Progress on the Sarita Microhydro Project has been moving along as expected. We have been collecting data for a more detailed business plan; these are mostly hydrology and environmental studies to back up the acquisition of a water license. Once these are completed and compiled, progress will be faster. The project has been funded this year by a series of grants from the federal government in addition to the investment made by the Huu-ay-aht government.

Regarding the possible acquisition of the Bamfield Store and Restaurant, HDC management is currently undergoing negotiations with the current owners. Due diligence dictates that we must look at their audited financial statements before making an informed decision.

Progress on a Pachena area store/gas station/café/parkade has stalled due to a serious concern about profitability. The corporation currently operates the gas station portion at a serious loss, but the notion was to invest further by building a store, café and parkade to increase potential profitability. To date, investment in this project has not been as high a government priority.

The remaining projects on the list (tourism, aquaculture, real estate development and Port Alberni office space) have all seen preliminary work done on exploring potential options, but other than some development regarding trails in and around historic sites progress is relatively slow.

The so-called "Contingent" projects depend on developments or decisions being made outside the government or company's purview. For example, whether and to what degree any timber harvesting occurs on Treaty Settlement Lands depends upon three thing: (1) work done by HFN administration and government at the department and committee level, (2) creation or adoption of an approved timber supply study and a harvest plan, and (3) a decision of the HFN People's Assembly in support. Any progress on internet service provision depends upon the decision of an established service provider to invest capital in Bamfield/Pachena area service (cables, fiber optic cables, booster stations, etc.).

(f) Finance

The Finance Committee consists of Jack Cook (Chair) effective September, 2012, Connie Waddell, Karen Haugen and Marjorie White. Resource to the Committee is James Edwards, Director of Finance.

There is regular monthly meetings plus several special meetings to provide information regarding our finances to HFN Executive Council.

The Finance Committee implemented a new method of budgeting revenues where the total expected to be received is not detailed out before the Budget Act is passed. In other words, governments aren't able to spend money that they haven't budgeted at the beginning of the year, and this is a central means of ensuring good conduct by the government. Some of the funds and grants we apply for don't come through until after the Budget Act has dropped, so technically we had no spending authority to spend it even though it was of great benefit to our community. We now have a new method built into the Budget Act to receive those moneys and legally spend them as it comes in.

As the budget proceeded, it was identified that there were costs that weren't accounted for at the beginning of the year. Primarily, this had to do with costs of being associated with the Maa-nulth Treaty Society; but also included the extra costs incurred with the Tribunal being active. We can control the costs of being involved with groups like Maa-nulth, all we need to do is ensure they forward any costs needed before the beginning of the fiscal year and make decisions from there. The Tribunal is our main avenue of internal dispute resolution and it has statutory spending authority, which means that if it is active, we must pay for it. To remove funds from the Tribunal would be unethical and illegal.

This last year was also about getting costs under control, costs which were still influenced by pre-Treaty urgency. Costs like consultant fees, legal fees and related contract costs were reviewed and reduced as time went on.

The Finance Committee also oversaw the introduction of the Real Property Taxation Act, the Freedom of Information and Protection of Privacy Act as well as being consulted by the HFN Citizen Development Committee on the adoption of important

regulations (*see Citizen Development Committee report for more detailed information).*

The Finance Committee also participated in talks with the Economic Development Committee on the need to create proper governance systems and adopt effective financial controls. (see Economic Development Committee report for more detailed information).

The Finance Committee was very happy to welcome the new Director of Finance and Government Services, James Edwards, to the organization.

(g) Fisheries

The Fisheries Committee consists of Tom Happynook (Chair), Charlie Clappis (alternate), Ed Johnson, Tom Joe, Bill Frank and Roy Werner. Recourse to the Committee is Bob Bocking, Stefan Ochman and Larry Johnson, Director of Lands and Natural Resources.

The purpose of this annual report is to lay out the general approach that the Huu-ay-aht Government is taking to put our treaty food fish on the tables of our citizens. The goal is to make sure we meet our legal treaty obligations to catch our treaty fisheries allocations each year.

The following strategy will form the foundation for our long term HFN Fisheries objectives:

- Allocate the funds to meet our legal obligation to catch all of our treaty fish allocations.
- Participate fully in the Joint Fisheries Committee processes
- Meet with Tseshaht every fall to discuss next year's fishing plans – Barkley Sound Accord
- Use Request for Proposals approach to contract fishers to catch all our treaty allocations
- Schedule HFN Fisheries Committee meetings every month during the fishing season and as needed during the winters months.
- Conduct workshops for our fishers so they don't break our fisheries laws and keep good catch records
- Assist our fishers to make sure we can catch our allocations each year

Progress

I continue to participate on the Maa-nulth Fisheries Committee, the Joint Fisheries Technical Committee; the Joint Fisheries Committee (Canada, B.C. and Maa-nulth) and the Uu-a-thluk Council of Ha'wiih.

The Huu-ay-aht Fisheries Committee managed to increase our food fish budget to $40,000.00 this year in the budgeting process. In addition, a Geoduck license, which was shared by all the 14 NCN First Nations, and administered by the NTC Fisheries

department, generated an additional $50,425.57. Some of this money came to the food fish budget.

We also received some spotted prawns that have been packaged in the Nuu-chah-nulth Seafood Development Corporation (NSDC) "Nootka" brand. These prawns came from one of the prawn licenses that the NSDC leased on behalf of the NSDC shareholder Nations; we are one of the NSDC shareholders.

Challenges
We started to get some push back from DFO on our expectation to get our food fish first before the recreation and commercial fisheries. I continued to push our treaty rights with DFO; which in turn did, get our food fishers out first before the commercial and recreation fisheries. I expect next year to be even better.

On April 03, 2012 we finally received our share (1.2 million) of the 4.15 million we negotiated to purchase fishing licenses. With the recent Pacific Integrated Commercial Fishing Initiative (PICFI) program the cost to buy licenses and quota has doubled in price. We are thinking we will invest the 1.2 million into an investment account and let it grow as well as wait for the PICFI cost bubble to burst and the cost of licenses to come down.

We have budgeted for a freezer truck and a commercial size vacuum sealer so we will be able to use our own people to process our food fish for the citizens. We did have one tote of salmon processed by our citizens in Anacla; what a great day that was.

I was sent an email from Regional DFO Nanaimo and asked to meet with the Deputy Minister Dansereau from DFO regarding the changes to the Fisheries Act. Maa-nulth First Nations decided that Frank Dragon and I would represent Maa-nulth at this meeting. The meeting took place on Friday July 06, 2012 at DFO in Vancouver.

Overall Result
Thanks to Larry, Stefan and the Huu-ay-aht fisheries crew the 2012 food fishery was a success.

(h) Ha'wiih Council

The Ha'wiih Council consists of Derek Peters (Chair), Jeff Cook, Tom Happynook, Andy Clappis, Darlene Nookemus and Bill Frank.

The Hawiih had a couple of meetings this fiscal year and is working on developing a regular schedule along with a work plan. The Hawiih continue to apply our cultural practices when and where we can.

(i) Infrastructure

The Infrastructure Committee consists of Charlie Clappis (Chair), Jack Cook (Council Member), Technical Resource is Rodney Murray, Director of Public Work and Community Infrastructure. The following highlights the status of major projects:

- Force main sewer line construction contracts one and two complete.
- Public works yard at feasibility study stage
- Tri-plex renovation rezoning; work to start this winter
- Anacla gravel roads upgrades will start this winter

(j) Lands & Natural Resources

The Lands & Natural Resources Committee consists of Jeff Cook (Chair), Derek Peters (Tayii Ha'wilth/Councillor), Angela Wesley, Stephen Rayner. Technical and Resource individuals are Larry Johnson, Director of Lands and Natural Resources; Johnson Ginger, Manager of Lands and Natural Resources; and Rita Johnson, Administrative Officer.

Throughout the past year we have had seven to eight meetings. At those meetings we made recommendations to the Executive Council and also, when asked, have been providing comments to the Lands and Natural Resources staff.

Some of the issues we have or are still working on are:

- Social Housing Regulation – to provide fair, effective, affordable and quality housing to HFN citizens.
- Residential Lease Regulation – to establish a fair and effective system for the disposition of residential leases in Anacla, Sarita and Grappler Creek.
- BC Land Survey Phase 2 of Carnation Creek.
- 36 land lot leases signed and registered (99 year leases with the BC Land Title Office.
- Four land lot leases pending.
- Working on amendments to the Land Use Plan.
- Development various forms and permits.
- Developing a harvest plan or regulation on Treaty Settlement Land.

On behalf of the Committee, we thank all citizens who have provided comments, suggestions, advice and personal insight on how to move into the future.

(k) Treaty Implementation

The Treaty Implementation Committee consists of Tom Happynook (Chair), Derek Peters (Tayii Ha'wilth/Councillor), Ed Johnson and Martha Johnson

The purpose of the Huu-ay-aht Treaty Implementation Committee (HTIC) is to provide a forum to discuss successes and challenges of the implementation of the Maa-nulth Treaty with Huu-ay-aht public officers while ensuring that the benefits of the Treaty flow to the citizens. The committee will also create and implement a

system to measure the success of the Treaty. The HTIC may work with the Maa-nulth Implementation Committee (MIC) from time to time as needed. The committee meets regularly, the second Monday & Tuesday of every month.

The committee created the following strategy and works closely with people in the organization to support and manage the transition of treaty implementation for everyone. To guide us, the committee created the following implementation strategy – we work on each item each time we meet:

- Huu-ay-aht Benefits List
- Implementation Challenges
- Huu-ay-aht Implementation Work Plan
- Maa-nulth Treaty 15 Year Review Indicators

Huu-ay-aht Benefits List
The committee's mandate is to ensure that the benefits of the treaty flow directly to the citizens (see purpose) so we have created a list (we will keep adding to this list) to track treaty benefits that our citizens can take advantage of as individuals. The committee works with the Communications department to provide this information to you.

Implementation Challenges
The committee has decided to bring treaty implementation related challenges to our group discussions. We discuss the challenge, potential solutions and provide that info to the group that has the authority and responsibility to manage for example: concerns about fish access that we know is a concern – we provide the issue, suggested solutions to the Lands & Natural Resources Dept./Fisheries Committee.

Huu-ay-aht Implementation Work Plan
The committee reviews the Maa-nulth Implementation Plan along with the Treaty. From that review, we track "flags" or "reminders" for the various departments for obligations we may have (or BC, Canada), opportunities or important things we think our citizens should be aware of like benefits/opportunities etc.

Maa-nulth Treaty 15 Year Review
We are working with the other four Maa-nulth Nations on a project that will help us prepare for the 15 Year Review of the Treaty. The 15 Year Review is a commitment we have in the Treaty where Maa-nulth, BC & Canada will sit to review how the implementation of this treaty is working.

To prepare for these discussions, Maa-nutlh Nations will track how each party is meeting obligations on an annual basis. The intent is to see trends over years and to use that data to discuss how to make the government to government relationship / implementation better. The tracking will be done within our administration by departments. This is the first year information will be tracked.

3. Financial Plan for 2012-2013

The Huu-ay-aht First Nations government adopted a strategic plan that focused on four distinct areas: (a) information, (b) opportunity, (c) resources and (d) identity. The HFN Budget and subsequent Financial Plan for fiscal year 2012-13 must fit within the lens of those four areas and the overall message of the strategic plan.

(a) Information

The HFN government have adopted a budget that contributes to the first major area identified in the strategic plan: information. One of the primary responsibilities of the government is to acquire and analyze timely and accurate information when it looks to develop laws, create programs or make budgetary decisions. This budget provides funding for the acquisition of information in several ways.

Citizen Development

The first way is by providing funding for the implementation of the Citizen Development Policy Regulation. This document calls for the creation of an position called the Citizen Development Review Officer. The primary duty of this position will be to conduct a Citizen Development Survey of HFN citizens to enhance the knowledge of the government on demographic indicators such as family size, income, education, employment. When the government has a better understanding of the condition of the people it serves, the quality and effectiveness of programs designed to help the people should likewise be better.

In addition to the conduct of a survey, the Citizen Development Review Officer must also conduct a review of HFN law, policy, programs and other processes relating to areas of citizen development (health, education, training, etc.). When this is completed, the review must be put into a report with recommendations on how laws, policies, programs and other processes may be improved.

Information Management

The HFN government has also approved the purchase of computers, software and hardware systems devoted to the proper handling and storage of vital information. Whether it be simple meeting records, wildlife resource tables or GIS map data, ensuring that the HFN has a firm handle on this information will contribute to a better organized and better informed decision-making process.

(b) Opportunities

A steady improvement in our People's overall opportunity to succeed is one of the most important aspects of government. This government defines opportunity as being grounded in basic and advanced education, formal training and the continued acquisition of skills that contribute to the success of a Huu-ay-aht individual. More than just school, education and training form the cornerstone of this government's drive to create more opportunity for the people it serves.

The Budget for 2012-13 contributes to this by doing four things: (1) continued funding for post-secondary education by purchasing services from the Nuu-chah-nulth Tribal Council, (2) continued funding for youth and adult skills training, (3) increased funding for school supplies and rewarding academic achievement, and (4) funding for a pilot project to help inform the creation of our own "made in Huu-ay-aht" education funding policy.

This government believes that when it allocates resources to education and training, it creates the opportunity for willing and able citizens to take advantage of it, thereby giving them skills and qualifications that make them more competitive in the job market. And being more competitive in the job market should likewise have a positive effect on employment for HFN citizens, inside and outside the Huu-ay-aht economy.

(c) Resources

By investing in capital infrastructure, the HFN government sees itself as contributing to the overall viability of the Huu-ay-aht economy. By continuing work on the waste water system for Anacla, by purchasing a place to store a firetruck and fire-fighting equipment in Anacla, by seeing to the upgrade and maintenance of roads in the Anacla area, the HFN government sees the foundations of a local economy being laid.

(d) Identity

In addition to what has been mentioned, the HFN government is also continuing its monetary support of the Na-naniiqsu (Grandparents) Society and continues to fund the Language Nest in Anacla. It sees these two entities as contributing to the identity, culture and language of the Huu-ay-aht First Nations in ways that could not exist without continued government support.

4. Summary of Major Budget Decisions

(a) Operations Budget Reduced by 5% in all Departments

The Huu-ay-aht First Nations Council mandated a 5% cut in planned expenditures across all departments of the HFN Administration, including its own "Government" budget line item. In addition, Executive Council will forego the planned annual increase in remuneration that is based on inflation indicators and has slashed its overall travel expense allocation by half. By finding efficiencies in cooperation with the Maa-nulth Society, the government plans to see substantial savings in the legal/technical development of law development as well.

(b) Work Continues on Waste Water System for Anacla Area

The government has allocated $1.5 million for continued development of the waste water system for the Anacla Area. It continues to work with the community of Bamfield, the Marine Sciences Centre and the federal government on building this

vital piece of community infrastructure. Once the sewer system is complete, this will allow significant progress to occur in developing the new subdivision sometime in the 2013-14 fiscal year (at the earliest).

(c) Support of Huu-ay-aht Development Corp. by Underwriting Loans from Royal Bank of Canada

HFN Council saw fit to support the HDC in its continued operation of businesses such as HFN Forestry Limited Partnership and the Pachena Bay Campground by agreeing to underwrite financing of the corporation by the Royal Bank of Canada. By linking the requirements of RBC to HDC's access to financing, Executive Council demands the utmost attention to detail and shows a willingness to hold its businesses to the same standards as the rest of the Canadian economy. The initial loan amount that has been approved in this budget is $815,000 and does not include future investments on new projects to be made when detailed business cases are submitted to the government by HDC for approval.

(d) Creation of a Special Programs and Contingency Fund to Access Grant Moneys Faster and Better

Our laws now state that there can be no spending of public moneys without prior approval for that spending in legislation. This means that we cannot spend any money without first budgeting for it to be acquired and subsequently spent in the Budget Act. This may sound like unnecessary legal-technical complexity, but this provision is one of the most important methods of protecting the Nation from improper use of public money. In practice, this works well when a government has a few constant sources of revenue with little changing from year-to-year. Things get more complicated when new sources of funding or new program expenses are identified that were not accounted for in the annual budget. If the HFN receives funding from an external grant, it cannot technically spend the money it receives. Similarly, if HFN needs to spend funds on a program or expense that wasn't identified in the budget, it cannot legally spend funds unless we put a provision in the Budget Act that specifically slows for that to happen. The Special Programs and Contingency Fund is intended to be that very thing.

(e) Creation of New Funeral Expense Program

A new funeral expenses program has been contemplated in this budget. It has been mandated that this new funeral expenses program ensure that the Huu-ay-aht citizens who need the resources to see to their family business receive such aid. This program will be intended to be for those citizens who have a social and financial need for the help, which will ensure that our most vulnerable citizens and families get the help they need when tragedy strikes. As this program was contemplated after the main budget estimates were approved, it will be funded from the Special Programs and Contingency Fund.

(f) Investing in Food Fish

HFN Council has approved a modest increase in the food fish budget line item. In addition, it has agreed to the purchase of key capital equipment to reduce costs and improve the quality of food fish. These investments, coupled with the development of a more efficient process for distribution of food fish, should greatly improve the quality of food fish provided to HFN citizens.

5. Huu-ay-aht First Nations 2012/2013 Budget

Treaty funds		
Implementation Funds		3,309,130
Capital transfer		3,017,215
Resource revenue sharing		202,431
		6,528,776
Transfer to Settlement Trust	3,219,646	
Investment in HFN Wealth Fund	3,309,130	6,528,776
		0
Operating income		
Distribution from Settlement Trust	2,719,646	
Interest on implementation funds	218,065	
Funding force main, sewer	300,000	
Federal block funding	2,472,241	
Resource revenue sharing	199,215	
Provincial annual funding	41,822	
Fisheries funding	68,767	
Invested wealth income	465,000	
Other revenue - Activities	259,372	
Other revenue - Huu-ay-aht Development	200,000	6,944,128
		6,944,128
Operating expenditures		
Government	713,564	
Finance & government services	1,110,198	
Human services	1,107,607	
Lands & natural resources	733,058	
Public works & community Infrastructure	354,550	
Depreciation	450,000	
Contingency	300,000	4,768,977
		2,175,151
Capital expenditures		
Administration Capital	541,500	
Force main, treatment plant	1,500,000	2,041,500
Surplus / (deficit)		133,651

6. Huu-ay-aht First Nations 2012/2013 Capital Expenditures

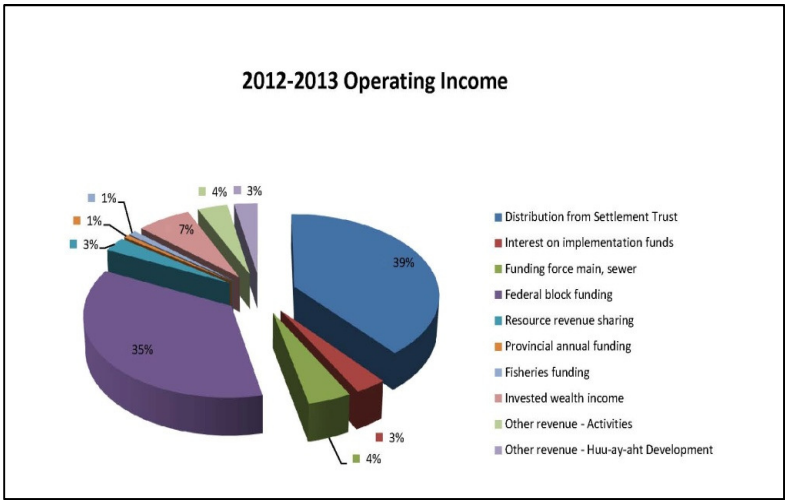
	2012-13 Capital Budget
CAPITAL	
Computers	15,000
General office furniture	10,000
Records management - Software	50,000
Records management - filing system	10,000
Capital - Finance & Gov't Services	85,000
Metal stairs	2,500
Road upgrade	40,000
Roofs NRO & Mntnce shed	80,000
Electrical upgrades	50,000
Public works yard	100,000
Quonset hut storage	50,000
Confined space gear	4,000
Replacement appliances	5,000
Gear fire fighters	10,000
Capital - Infrastructure & P Works	341,500
Computers & desks	4,000
Capital - Human Services	4,000
computer	2,500
desk/chair	1,000
printer/plotter GIS	12,000
mapping table	2,000
Truck	40,000
Trimble Geo	5,500
Trimble software	1,300
Radio	1,500
Radio	1,200
Hydro electric poles at Sugsaw Hatchery	16,000
Handheld GPS	2,000
Jet Boat	11,000
Chinook net	3,000
Commercial freezer and installation	10,000
Vacuum Packer	2,000
Capital - Lands & N Resources	111,000
TOTAL ADMINISTRATION CAPITAL	541,500
Sewer Treatment Plant	1,500,000
Total Capital	2,041,500

7. Huu-ay-aht First Nations 2012/2013 Cash Management

CASH SOURCE	TOTAL	HFN Operating	Settlement Trust	Invested Wealth
Treaty funds	6,528,776		3,219,646	3,309,130
Huu-ay-aht Devlopment	200,000	200,000		
Federal block funding	2,472,241	2,472,241		
Federal Capital funding	300,000	300,000		
Fisheries funding	68,767	68,767		
Provincial funding	41,822	41,822		
Resource revenue	199,215	199,215		
Invested Wealth Fund	465,000	465,000		
HFN miscellaneous	259,372	259,372		
	10,535,193	4,006,417	3,219,646	3,309,130
TRANSFERS				
Settlement to Operating		2,719,646	(2,719,646)	
	0	2,719,646	(2,719,646)	0
TOTAL CASH	10,535,193	6,726,063	500,000	3,309,130
DISBURSEMENTS				
Government	713,564	713,564		
Finance & Gov't Services	1,110,198	1,110,198		
Human Services	1,107,607	1,107,607		
Lands & Natural Resource	733,058	733,058		
Public Works	354,550	354,550		
Contingency	300,000	300,000		
Capital	2,041,500	2,041,500		
	6,360,477	6,360,477	0	0
CASH AT YEAR END	4,174,716	365,586	500,000	3,309,130

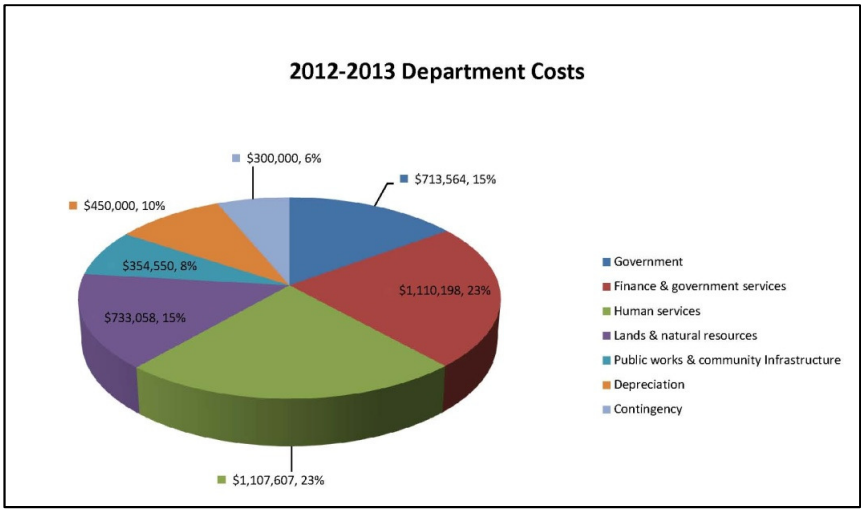
RECONCILIATION OF CASH TO BUDGET

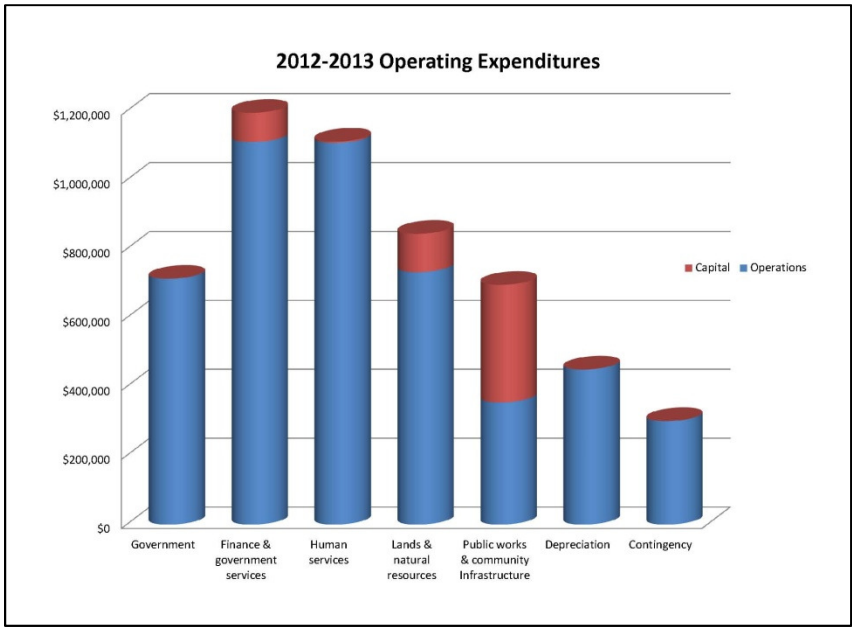
CASH AT YEAR END	4,174,716
Depreciation	(450,000)
Increase in Invested Wealth	(3,309,130)
Increase in Settlement Trust	(500,000)
Accrued Interest	218,065
Surplus per budget	133,651



8. Department Summary

Operating Costs			
Government	120		713,564
Fiance & Government Services			
Administration	100	704,013	
Port Alberni office	200	174,270	
Treaty Implementation	710	231,915	1,110,198
Human Services			
Social development	210	492,118	
Cultral program	405	41,566	
Communications	421	51,572	
Child care	425	58,875	
Education	500	463,476	1,107,607
Lands & Natural Resources			
Cultural food	430	40,000	
Fisheries & shellfish	600	210,312	
Lands & natural resources	800	292,518	
Cultural referral	720	190,228	733,058
Public Works & Community Infrastructure			
Emergency, health & safety	New	53,100	
Residential maintenance	180	23,000	
Infrastructure maintenance	190	162,693	
House of Huu-ay-aht & admin	310	34,900	
Community services	350	80,857	354,550
Depreciation			450,000
Contingency			300,000
Total Operating Costs			4,768,977





9. Audited Financial Statements

Separate document attached.

10. Quarterly Financial Statements to September 30, 2012

		Q1	Q2	Q3		
	6 Months Ended Sep 12	3 Mths Ended Jun 12	6 Mths Ended Sep 12	9 Mths Ended Dec 12	Annual Budget	PY (2011) Q2 Sep 11
REVENUE						
4050-405 Na-Naniiqsu Funding						2000
4060-720 Contracts	21,204	14,224	21,204	0	0	33413
4110-100 Other Income	0	482	0	0	0	0
4110-425 Other Income	1,085	0	1,085	0	0	33665
4110-600 Other Income						600
4110-800 Other Income	411	120	411	0	0	660
4111-100 Other Income - Invested Wealth	0	0	0	0	465,000	0
4111-425 Other Income - Literacy Alberni						628
4111-505 Other Income - Community Adult Literacy	10,845	10,845	10,845	0	12,697	0
4112-100 Other Income - Activities	0	0	0	0	259,372	0
4114-100 Other Income - Settlement Trust	546,224	546,224	546,224	0	2,719,646	0
4115-100 Other Income - HDC	0	0	0	0	200,000	0
4115-800 Building Permits	75	0	75	0	0	0
4120-800 Life Leases	33	4	33	0	0	0
4131-425 NETB Funding						12848
4150-500 FNESC - New Paths Education						664
4153-500 FNESC - NRT	704	0	704	0	0	
4154 500 FNECD Grant						587
4155-500 FNESC - New Paths Communities	2,769	0	2,769	0	0	0
4156-500 FNESC - Summer Work Experience	2,066	0	2,066	0	0	0
4200-350 NTC Funding Drinking Water Safety Pgm	4,320	3,240	4,320	0	0	0
4200-425 NTC Funding	12,824	3,074	12,824	0	0	0
4200-600 NTC Funding	11,429	11,429	11,429	0	0	0
4206-210 NTC Funding - Child Welfare						21517
4203-210 NTC Funding - Patient Travel	8,506	3,407	8,506	0	0	4438
4206-425 NTC Funding - Child Welfare	15,369	12,295	15,369	0	0	
4210-100 Fisheries Funding	68,768	68,768	68,768	0	68,767	66558
4211-100 Resource Revenue Funding	202,482	202,482	202,482	0	199,215	395806
4212-100 Provincial Annual Funding	41,822	41,822	41,822	0	41,822	41822
4215-100 AANDC Funding	1,234,472	618,884	1,234,472	0	2,472,241	1598388
4215-907 AANDC Funding - Sewer	0	0	0	0	300,000	0
4300-210 IRS Counselling	654	261	654	0	0	588
4400-710 BCTC						119775
4400-800 Maanulth Funding						3663
4450-415 Vancouver Foundation Funding	12,797	12,797	12,797	0	12,800	0
4750-100 Interest	134,336	69,072	134,336	0	218,065	73545
4750-115 Interest	461	0	461			
4800-135 Ottawa Trust - Interest						(37833)
4860-4862 Recovery of Costs	9,842	4,696	9,842	0	0	15226
	2,343,498	1,624,126	2,343,498	0	6,969,625	2388558

*** Contingency Drawdown**

Purpose	**Amount**	**Allocation**
Operating Funds for HDC	$116,000	Government
Additional Maa Nulth Treaty Society costs	$65,000	Government
Statutory required costs for Tribunal	$75,000	Government
Historic forestry stand tending obligations	$7,700	Lands and Natural Resources
External financial advisory services for HDC	$25,000	Finance and Government Services

		6 Months Ended Sep 12	Q1 3 Mths Ended Jun 12	Q2 6 Mths Ended Sep 12	Q3 9 Mths Ended Dec 12	Annual Budget	PY (2011) Q2 Sep 11
REVENUE		2,343,498	1,624,126	2,343,498	0	6,969,625	2388558
EXPENDITURES							
GOVERNMENT	120	427,237	233,960	0	0	969,564	297544
FINANCE & GOVERNMENT SERVICES							
Administration	100	313,616	173,300	313,616	0	729,013	423861
Treaty Office	200	55,609	26,539	55,609	0	174,270	111261
Treaty Implementation	710	135,092	126,542	135,092	0	231,915	297739
Comprehensive Community Plan	746	0	0	0	0	0	18640
		504,317	326,381	504,317	0	1,135,198	851501
PUBLIC WORKS & COMMUNITY INFRASTRUCTURE							
Residential maintenance	180	2,730	1,197	2,730	0	23,000	0
Infrastructure maintenance	190	65,452	32,719	65,452	0	162,693	47789
Community Hall	310	13,104	7,053	13,104	0	34,900	4730
Community Services	350	72,050	37,711	72,050	0	80,857	52602
Emergency, Health & Safety	360	11,989	859	11,989	0	53,100	0
		165,325	79,539	153,336	0	354,550	105121
HUMAN SERVICES							
Comm Health & Social Dev	210	209,320	117,338	209,320	0	492,118	232984
HFN Cultural Program	405	22,666	14,933	22,666	0	41,566	21213
Vancouver Foundation Project	415	6,460	6,328	6,460	0	12,800	6885
Communications	421	16,215	9,101	16,215	0	51,572	59769
Childcare	425	36,176	16,632	36,176	0	58,875	2450
Education	500	218,437	108,174	218,437	0	463,476	199038
Funded program	505	26,179	15,794	26,179	0	12,697	0
		535,453	288,300	535,453	0	1,133,104	522339
LANDS & NATURAL RESOURCES							
HFN Cultural Food	430	51,839	7,384	51,839	0	40,000	26784
Fisheries, Shellfish, Watershed	600	77,656	34,279	77,656	0	210,312	58902
Cultural Referral	720	90,833	48,779	90,833	0	190,228	66193
Lands & Natural Resources	800	134,636	70,275	134,636	0	300,218	89693
		354,964	160,717	354,964	0	740,758	241572
TOTAL EXPENDITURES		1,987,296	1,088,897	1,548,070	0	4,333,174	2,018,077
Depreciation		225,000	112,500	225,000		450,000	0
Contingency *		0	0	0		11,300	0
OPERATING SURPLUS/(DEFICIT)		131,202	422,729	570,428	0	2,175,151	370,481
CAPITAL EXPENDITURES	908						67633
Community & Health Centre	900	0	0	0	0	0	31360
Sewer Treatment Plant	907	50,541	50,541	0	0	1,500,000	121491
Subdivision	910	0	0	0	0	0	9090
Capital - Finance & Gov't Services	916	1,904	1,904	0	0	85,000	27657
Capital - Infrastructure & P Works	917	0	0	0	0	341,500	(20150)
Capital - Human Services	918	1,228	1,228	0	0	4,000	562
Capital - Lands & N Resources	919	43,481	43,481	0	0	111,000	3458
Total Capital Expenditures		97,154	97,154	0	0	2,041,500	241101
Total Operating & Capital Expenditures		34,048	325,575	570,428	0	133,651	129,380