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Our Vision

Together, the Huu-ay-aht Economic Development Committee and group of businesses strive to achieve a flourishing Huu-ay-aht economy through initiatives that provide sustainable benefits for all.
Welcome to the second annual report issued by the Huu-ay-aht group of businesses to Huu-ay-aht citizens, staff, government, and the public. This report summarizes business activities from April 1, 2012 to March 31, 2013. It also shares highlights from a group of businesses designed to achieve the economic vision of Huu-ay-aht citizens and leaders.

During the year, the Huu-ay-aht group of businesses worked diligently to improve profitability and increase employment opportunities for citizens. The group also evolved structurally to include new limited partnerships that will clearly separate Huu-ay-aht businesses from our Nation’s government.

Highlights for 2012-2013

- Employed 37 people during the year, including 22 Huu-ay-aht citizens.
- Launched an informative website where citizens and others can find information about businesses and economic development projects (www.hfndevelopmentlp.org).
- Improved communication by issuing an Annual Report and one economic update about Huu-ay-aht businesses.
- Worked together with Huu-ay-aht First Nations towards the shared economic vision of the Nation.
- Completed restructuring of financial accounting systems.
- Forged partnerships with organizations to strengthen position and improve results.
- Laid the groundwork for purchasing the Bamfield Market and Café.
- Improved the capacity of Huu-ay-aht citizens through training and education programs for employees.
On behalf of the Operating Boards, I am pleased to present the 2012/13 Annual Report for the Huu-ay-aht group of businesses. The past year saw the realization of two major goals for Huu-ay-aht economic development. The first was a formal restructuring of Huu-ay-aht businesses that will better preserve our assets and reduce our risk. Creating Operating Boards to analyze new opportunities, monitor business performance, and support the Chief Executive Officer (CEO) will help establish a solid foundation for economic development. New board members include two Huu-ay-aht citizens with governance and business expertise, an experienced business manager with knowledge of the service and tourism sectors, a systems and forestry expert, and an accountant with a CGA designation. The Nation’s Economic Development Committee will continue to provide strategic direction on economic plans for the Nation and guide the overall vision for our Huu-ay-aht economy.

The second major goal was re-establishing our presence in the Bamfield community. This year we laid the groundwork for the purchase of the Bamfield Market and Café, an exciting development that puts us back in the centre of the local economy and offers us untold potential to integrate our business network and expand opportunities for Huu-ay-aht citizens.

The current economic climate demands that we use our resources effectively. Preparations for this purchase involved extensive research and business planning, which we are now putting to use to improve the facilities and benchmark day-to-day operations. The benefits emerging from the purchase of the Market and Café will help not only our own community to prosper, but will enhance the future of Bamfield as well.

Crucial to achieving these goals was the quality work and dedication shown by the boards’ members who supported the organizational restructuring, assisted the CEO, and made sure administrative systems were in place to move forward with the Nation’s vision for economic development.

The Economic Development Committee worked equally hard to support this transition by creating an Economic Development Act, which was finalized in early 2013. This important piece of legislation defines how we will achieve our vision over the long term, and will guide us for years to come.

In the coming year, the boards will build on the work of 2012/13 by solidifying business plans and strengthening the relationship between the Huu-ay-aht Government and the group of businesses. We encourage people who have interests, problems, suggestions, and queries to please share them with us by email (info@huuayaht.com) or phone (778-421-3577 or 250-728-3080). We are very interested in hearing from citizens.

Shii-shii-xwalahp (Angela Wesley)
The past fiscal year was a year of transition for the Huu-ay-aht group of businesses. From appointing new Operating Boards to further refining the structures that support the businesses, the Huu-ay-aht group of businesses has worked diligently towards the Huu-ay-aht vision for economic development.

In creating the Economic Development Act, Executive Council defined the processes and structure that will govern how economic development will work. As the CEO of the Huu-ay-aht group of businesses, I’m pleased with the solid foundation this has created.

Not only do these processes provide a clear framework going forward, they also provide certainty for management and investors by crafting clear guidelines and boundaries around our roles and responsibilities. The extensive work required to get this framework in place is now complete. We can now concentrate on running the businesses to increase profit, invest in community, and generate growth and prosperity.

In addition to the transition which occurred, 2012-13 was also a year of connection. Purchasing the Bamfield Market and Café was a long-held desire of Huu-ay-aht First Nations. Located a few steps from the East Dock and on the front lines of local tourism, the market is already linking Huu-ay-aht businesses to our broader business and tourism strategy. Residents and visitors can now pay moorage costs at the market and learn more about the Pachena Bay campground. They can also learn about other Huu-ay-aht businesses in the area. These connections are just the beginning of what this purchase has to offer.

This year we also made progress advancing our micro hydro projects and building the capacity of citizens. Investing in profitable ideas and a long-term Huu-ay-aht workforce are both priorities for the Huu-ay-aht group of businesses.

With strengthened financial management and improved reporting, we now have a clear idea of what we have accomplished and where we need to go from here. I am confident that the coming year will see continued growth and profits thanks to the hard work of our employees, Operating Boards, Executive Council, and the Economic Development Committee, who work together to provide the direction that will realize our goals for the Huu-ay-aht economy.

Stan Coleman
The Huu-ay-aht First Nations sets the vision and strategic direction for economic development for the Nation. Using that vision as guidance, the Huu-ay-aht group of businesses implements the strategic direction of all businesses owned by Huu-ay-aht First Nations. The following table details the roles and responsibilities of those involved in Huu-ay-aht economic development.

### Roles and Responsibilities: Huu-ay-aht Economic Development

<table>
<thead>
<tr>
<th>Huu-ay-aht Citizens</th>
<th>Huu-ay-aht Government</th>
<th>Economic Development Committee / HDC Board</th>
<th>Operating Boards</th>
<th>Chief Executive Officer (CEO)</th>
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<tr>
<td>• Provide input to Huu-ay-aht economic development vision, mission, and strategic plan</td>
<td>• Sets the vision, mission and strategic plan for economic development</td>
<td>• Oversees and ensures implementation of economic development vision, mission, and strategic plan</td>
<td>• Oversees and supports the CEO</td>
<td>• Responsible for day-to-day business operations including all human resource matters</td>
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<td>• Provide feedback on information sharing and reporting</td>
<td>• Approves new business opportunities</td>
<td>• Oversees financial and operational matters</td>
<td>• Produces annual plans/budgets for existing businesses</td>
<td>• Works within approved plans/budgets</td>
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<td>• Solicits citizens’ input, involvement and information sharing through consultation, People’s Assemblies, community rounds, etc.</td>
<td>• Approves annual plans/budgets for existing businesses</td>
<td>• Approves major operational decisions</td>
<td>• Ensures accuracy of finances and accounting</td>
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<td>• Approves and ensures compliance with operational policies and procedures</td>
<td>• As requested reports to the Ec Dev Committee/HDC Board, People’s Assembly or Executive Council on financial and operational matters</td>
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Advises and reports to citizens on matters above (but not limited to)

Advises and reports to Executive Council on matters above (but not limited to)

Advises and reports to Ec Dev Committee/HDC Board on matters above (but not limited to)

Advises and reports to Operating Boards on matters above (but not limited to)
About the Huu-ay-aht group of businesses

The Team
Stan Coleman, RPF, Chief Executive Officer
Sarah Johnson, Administrative Support
Paul Dagg, RPF, Planning Forester
Mark Godard, Environment Consultant
Martha Johnson, Accounting Clerk Support
Trudy Warner, MA, CEC, Communications & Human Resources
Kathy Happynook, Board Corporate Secretary

Board of Directors
Shii-shii-xwalahp (Angela Wesley), Chair
Val Bellwood
John Mass
Cory McIntosh, CFP, CAFM, CGA
Bob Brough

“Our economic model is designed to see our businesses reach their maximum potential. The political arm is a body that is always changing. Under the new structure, our businesses can grow and succeed with consistent leadership and direction.”

- Xiisn (Derek Peters)

Building the Capacity of Huu-ay-aht Citizens

This year the Huu-ay-aht group of businesses continued to offer educational opportunities for employees through skills training and workshops. These opportunities included:

- Partnering with Parks Canada and the Nuu-chah-nulth Education and Training Program (NETP) to run a 13-day Guardian Training Program in Anacla. The training included courses in Swiftwater Rescue Technician (SRT1), Basic Chainsaw Operator, Wildlife Danger Tree Certification for Parks and Recreation Sites, Bear Awareness Program, and Alternative Trail Building.

- Conducting safety training for employees of the HFN Forestry LP. Courses included: WHMIS, S-100 fire training, Level 1 and 3 First Aid, and the Environmental Management System.
"Through our group of businesses we can separate where the individual can benefit and where the Nation can benefit. There is now more opportunity for people to become entrepreneurs."

– Xiišin (Derek Peters), Tyee Ha’wilth

“What I like most about HFN Forestry is that it has provided the opportunity to advance my skill set. It has been a big part of my success so far in my career. I hope it continues to be successful so I can continue to reach my personal and professional goals.”

– Brad Johnson, Front End Loader Operator
The Huu-ay-aht group of businesses reports the following highlights for the period between April 1, 2012 and March 31, 2013:

Management

- Completed major restructuring of organization to preserve business integrity and reduce liability. This resulted in multiple limited partnerships, each managed by the CEO.
- Recruited business professionals to take part in Operating Boards that guide and support the CEO. These boards are chaired by a Huu-ay-aht citizen.
- Finalized new accounting system to improve and strengthen financial management.
- Hired administrative staff, West Coast Trail crew, and other workers to fill vacant positions, run businesses, and support organizational transition.
- Employed seven people (including five Huu-ay-aht citizens).

Forestry

- Continued to improve business profitability and relationships in all forestry operations.
- Implemented competitive bid process for selling standing timber.
- Secured logging options for two crown tenures.
- Transitioned harvesting from contractor operations to a timber sales operation, improving margin and lowering overhead.
- Employed 14 people, including 7 Huu-ay-aht citizens.
- Conducted annual training in WHMIS, S-100 fire training, Level 1 and 3 First Aid, and the Environmental Management System for all forest company employees.
- Harvested 8,054 m³ from the community forest and 63,100 m³ from the First Nations Woodland Licence. Planted 81,643 trees on both licences.
- Worked with crews following one workplace accident to ensure better understanding of safety procedures and implementation of lessons learned.
Business Highlights and Achievements

**Fisheries**

- Supported Huu-ay-aht food and ceremonial fishery.
- Partnered with the Huu-ay-aht fisheries and the Nuu-chah-nulth Seafood Development Corporation to lease out eight commercial fishing licences. The licences generated more than $102,000 in gross revenue.
- Generated approximately $10,000 in gross revenue through wharfinger fees collected at the Bamfield East Dock.
- Implemented dock upgrades and maintenance, which will improve safety and increase future usage.
- Sold one aquaculture asset and reviewed remaining assets for future prospects.
- Employed two people.

**Lands**

- Took over management of Pachena Bay campground and began discussions with Nation for short and long-term leases.
- Generated $13,000 in net revenue (20% of gross revenue) through campground site fees.
- Employed 13 people, including nine Huu-ay-aht citizens.
- Maintained the first 25 km of the West Coast Trail through a $100,000 contract (per year) with Parks Canada.

“I’ve seen a lot of places, but Pachena Bay has everything that I like about the outdoors… I can’t think of anywhere else I’d rather be.”

—Trevor Cootes, Campground Supervisor
Business Highlights and Achievements

Gravel Pit

- Production down due to less community infrastructure projects.
- Generated $41,000 in gross revenue.
- Incurred repair and maintenance costs of $20,000.
- Incurred depreciation costs of $24,000.
- Employed one Huu-ay-aht citizen when in operation.
- Began a business review to assess keeping pit profitable and active.

Market

- Partnered with NEDC to conduct feasibility study and business planning for Market and Café. Attracted investment and loans from Huu-ay-aht and Nuu-chah-nulth Economic Development Corporation (NEDC) to support business planning and market purchase.
- Began process for hiring a Transition Team to provide interim management services for the Market and Café.

“The forestry relationships these days are very complex, and our relationship with Huu-ay-aht Forestry has been very good. We feel the relationship is mutually beneficial and that trust only develops over time.”

—Larry Spencer, Operations Manager, Probyn Log Ltd.
Huu-ay-aht Economic Development: Putting the Pieces Together

Developing a local economy involves many steps. For Stan Coleman, Chief Executive Officer (CEO) of the Huu-ay-aht group of businesses, these steps can sometimes take time. But no matter how many steps exist or how great the challenge, the journey is worth every effort in the long-run because it leads to a sustainable economy.

Employed as the CEO for Huu-ay-aht group of businesses since 2011, Coleman is pleased to see Huu-ay-aht businesses standing on solid ground after improvements to financial accounting and management. He is also pleased to see a number of different pieces coming together to assemble Huu-ay-aht’s vision for a flourishing local economy.

“As the CEO, I look at each thing we do, and the bottom line is, ‘does it make us money or do we lose money? Does it supply employment or not?’ And each time we put one of these pieces in place, we look at how it can sustain itself.”

This past year, Coleman and members of the Operating Boards added a very large piece to the economic development puzzle for the Huu-ay-aht group of businesses. Purchasing the local Tides and Trails Market (now called the Bamfield Market and Café) was a long-held desire for many on Executive Council. The purchase also placed the Nation back into the centre of the Bamfield economy, a move that will have positive returns for other Huu-ay-aht businesses.

“The new footprint in Bamfield will allow us to manage and market the Bamfield East Dock from one central location. I’m optimistic that will improve the revenue. And because we are now in downtown Bamfield, we have a presence and can market the businesses on a daily basis.”

The store also offers other opportunities to connect and promote Huu-ay-aht businesses. “People can come up to the store and pay for their moorage fees, shop at the market, and at the same time, learn about other opportunities like the campground. The opportunities will grow from there...” Coleman says.

Those opportunities include employment for Huu-ay-aht citizens. Soon after the Nation took over the Market and Café, Phyllis Williams came on board to help revitalize the...
facility. She is planning to stay on as an employee in the café when its doors open later this summer. More employees are expected to follow. “The new Market and Café means more jobs for us... I can’t wait until it opens,” she says.

For Coleman, putting all these pieces together is the first step to strengthening the Huu-ay-aht economy. The next step is adding value to each piece by considering what other services go hand-in-hand with what’s already being offered. “For example, we could provide food services to the campground,” Coleman says. “It’s a very basic campground and that limits our opportunity. In the future, we’d like to add more services and infrastructure to improve the visitor’s experience and increase revenue.”

Coleman’s first indication that the group of businesses is on the right track is that visitors are staying longer. Now in negotiations with the Nation for a long-term lease on the campground site, he is looking ahead to securing this business asset on a longer term basis to increase the investment and maximize the opportunity.

He is also looking at expanding opportunities for the Nation’s guardian program, currently responsible for maintaining the first 25 kilometres of the West Coast Trail. “Our guardians know about local stores and the campground,” Coleman says. “They are front line staff referring people to other local businesses. It’s a way of saying, ‘Welcome to Huu-ay-aht culture. Welcome to the area. Here’s what else we have to offer.’”

With approximately six thousand people hiking the West Coast Trail each year, Coleman sees business opportunities developing from the current trail contract with Parks Canada. “In future I see the guardians becoming more and more a part of the cultural tourism businesses nested inside the Huu-ay-aht group of businesses. This will further support the network we’re developing.”

That network is only getting stronger. Just over a year after achieving self-governance, Huu-ay-aht First Nation has completed the restructuring necessary to separate business from politics and move forward with economic development through the Huu-ay-aht group of businesses. Says Coleman: “You build your business step by step. Along the way you do your best to make good decisions, and that’s what we’re doing right now.”
New Projects and Opportunities

The Huu-ay-aht group of businesses is dedicated to pursuing activities that align with the economic, environmental, and cultural values of Huu-ay-aht First Nations. Some activities in the works for next year include:

- **Improved communication to citizens:** Earlier this year, the Huu-ay-aht group of businesses issued a written update about Huu-ay-aht businesses to citizens through the mail. Citizens will receive a similar update at least three times per year, as well as an Annual Report once per year in the future. The updates are also available online at www.hfndevelopmentlp.org.

- **Independent power projects:** The HFN group of businesses received major investment funding through the Major Project Investment Fund, the Clean Energy Business Fund, and other sources to conduct environmental assessments, collect water data, create engineering designs, and complete an overall review of hydro opportunities on the Sarita River. Work on this project will continue in 2013-14.

- **Hiring a resident of Bamfield/Anacla for a Business Manager-in-Training position:** The Business Manager-in-Training will receive mentorship and training and eventually assume all responsibility for managing the Market and Café.

- **Pursuing cultural tourism partnerships:** The Huu-ay-aht group of businesses is exploring opportunities for Kiixʔin with the Island Cultural Economic Trust (ICET).