

# Huu-ay-aht First Nations Executive Council

## Briefing Note

*Regarding recommendation on 2013/14 Annual Budget*

### **Date**

January 16, 2016

### **Submitted By**

James Edwards, Director of Finance

### **Type of Decision**

Approval from Executive Council

### **Issue**

The 2013/14 Annual Budget Forecast needs to be established.

### **Background**

The Financial Administration Act requires that a budget forecast be established which details a forecast of revenue, non-discretionary capital and operating expenses, options for changes to revenue and operating expenditures and recommendations from the Finance Committee.

Executive Council has directed that a balanced budget be achieved for 2013/14 and that a deficit not be planned. However, this means that the annual budget will be approximately \$400,000 lower than the previous year. Finance and Government Services is currently conducting a strategic program review to determine what program areas, if any, can be revised, restructured or terminated to ease funding pressures.

Certain revenues, such as grants, or fee driven revenues, such as through Cultural Referral are not included in the notional revenues. It is recommended that these programs be directed to organize and operate on a revenue neutral basis.

<b>2013/14 Notional Revenues</b>	
Treaty Capital Funding	\$2,713,319
Time Limited Funding	\$3,686,972
Provincial Resource Revenue Sharing	\$200,000
INAC Funding	\$2,727,673
Other Income - Invested Wealth	\$500,000
Other Income - Interest	\$200,000
<b>Total</b>	<b>\$10,027,964</b>

### **Non-Discretionary Expenses (minimum levels)**

<b>Fixed Costs</b>	<b>Salary + Fixed Operating</b>	<b>Facilities + Disbursements</b>	<b>Total</b>
Government	\$519,400	\$166,415	\$685,815
F&GS	\$616,114	\$89,460	\$705,574
Human Services	\$448,700	\$310,152	\$758,852
Public Works	\$259,002	\$0	\$259,002
Lands	\$655,768	\$0	\$655,768
<b>Total</b>	<b>\$2,498,984</b>	<b>\$566,027</b>	<b>\$3,065,011</b>

<b>Planned or Mandatory Expenses</b>	
Depreciation / Capital Replacement	\$450,000
Contingency	\$300,000
Loan Repayment	\$530,000
Contribution to IWF	\$3,686,972
Contribution to HST	\$1,000,000
Investment in HDC Operating	\$420,000
<b>Total</b>	<b>\$6,386,972</b>

**Funds available for discretionary programs \$575,981**

### 2013/14 Notional Budget - DRAFT

	2013/14	2012/13
Government	\$700,815	\$713,500
F&GS	\$950,655	\$1,110,198
Human Services	\$958,852	\$1,133,104
Public Works	\$359,002	\$354,550
Lands	\$670,768	\$733,058
<b>Total</b>	<b>\$3,640,092</b>	<b>\$4,044,410</b>

## Recommendations

The minimum non-discretionary expenses represent the costs required to maintain current staffing levels as well as core operating expenses, funding at these levels will result in decreased services. Discretionary funding should be applied in systematic and strategic fashion.

The following motion was passed at the January 10, 2013 Finance Committee Meeting:

BE IT RESOLVED THAT that the Finance Committee recommends to Executive Council to approve:

1. the 2013/2014 Notional Revenues, Non-discretionary spending, and planned or mandatory expenses; and
2. that the draft Notional Budget be provided to the Executive Director for consideration and detailed costing.

## Motion

BE IT RESOLVED THAT EXECUTIVE COUNCIL APPROVES:

1. THE 2013/14 NOTIONAL REVENUES, NON-DISCRETIONARY SPENDING, AND PLANNED OR MANDATORY EXPENSES; AND
2. THAT THE DRAFT NOTIONAL BUDGET BE PROVIDED TO THE EXECUTIVE DIRECTOR FOR CONSIDERATION AND DETAILED COSTING.