

2014/15 HFN Financial Plan

Executive Summary

The 2014/15 HFN Financial Plan focuses on the key delivery of the strategic plan. A new organization structure is being implemented with reduced management overhead and three departments. The new structure is purpose built to measure and deliver results, improve communication and to improve services to Citizens.

Highlights of investments from the strategic plan include a Pawaats program for Port Alberni, a significantly increased number of culture, education and health promotion activities. Major capital investments will be undertaken to complete the sewer project and the subdivision in upper Anacla, as well as the continued progress on major economic development initiatives. Major investments for 2014-15 include approximately three hundred thousand in additional salary dollars, two hundred seventy five thousand dollars in direct and indirect communication activities, and two hundred seventy five thousand in direct economic develop activities.

HFN Executive Council has resolved to make decisions and policy changes on the basis of evidence and quality information; communications will be increased with Citizens and other stakeholders, data will be collected through surveys and community forums to be able to increase Citizens satisfaction with the Government and its programs and services.

Summary of budget decisions and connection to strategic plan;

The Strategic Plan identifies 9 priority areas of program and service delivery. All program and services will be linked to the strategic plan, and briefing notes for decision with require the expenditure of resources (time, money, or material) must demonstrate connection to the identified priorities.

Top priorities for 2014/15

- 1 COM - Communication and Engagement with Citizens
- 2 COM - Increasing citizens satisfaction
- 3 ICV - Longitudinal Children's Study
- 4 NRT - Promote tourism and recreation opportunities
- 5 ICV - Increase the number of language speakers
- 6 NRT - Develop Integrated Resource Management Plan (IRMP)
- 7 NRT - Increase Own Source Revenue (OSR)
- 8 ICV - Education Streaming Program
- 9 CF - Children know HFN value and expectations

The strategic priorities will be implemented through working in the following areas:

- Communication (COM)
 - Informing, educating and engaging with HFN Citizens, Staff, and Businesses.
 - Establish and publish a bimonthly newsletter, plus issue specific fact sheets
 - Redesign the HFN Website, including an intranet for employees and a Citizens section
 - Host bi-monthly community forums in Vancouver, Port Alberni and Anacortes
 - Improve internal communications with increased all-staff meetings and horizontal issues management
 - Continue with the HFN Organization Renewal Project Culture and Values Component
 - Continue with survey and other quantitative data collection, including focus groups and issue specific community forums
 - Institute a direct mail program for reaching out to citizens.
 - Quarterly Executive Council / Senior Management Team meetings to review progress on the Strategic Plan
 - Streamline and improve the Patient Travel Assistance Service

- Children and Families (CF)
 - Supporting, protecting and nurturing HFN Families and Children.
 - Institute a 3 day a week Pawaats program in Port Alberni starting September 2014
 - Create community events and forums related to Parent education, Culture Education, Drug and Alcohol Awareness
 - Create cultural learning resources for children in care
 - Create local employment initiatives with a focus on Citizens on Social Assistance and Citizens who are under-employed.
 - Focus on education and support activities at Bamfield Community School
 - Create and implement a Crisis Grant Program

- Integrated Culture and Values (ICV)
 - Upholding the Haw'iih Council to identify, support and promote all HFN Cultural Values.
 - Work with UBC and Harvard research project to identify areas for promotion and inclusion of traditional governance systems, with a focus on areas relating to social justice
 - Create a summer cultural camp program for HFN youth
 - Integrate health and traditional Foods programs to promote increased traditional food consumption

- Create a weekly program of activities for the Port Alberni Friendship Centre including expanding areas to include Haw'iih and Elders
 - Create and implement an internal Language Program, for place names and regularly used words and phrases.

- Infrastructure (INF)
 - Designing, building and operating enabling infrastructure.
 - Create and implement a comprehensive records management program and information / communication policy, including standardizing documents, forms and procedures
 - Create and implement a cohesive governance model for efficient committee operations
 - Design, tender and begin construction on the wastewater treatment facility
 - Design, tender and begin construction on the subdivision, including lot layout, service roads and utilidors.
 - Create and implement a HFN Project Management System
 - Create and Implement a Treaty implementation program
 - Develop and enhance the HFN road network
 - Upgrade and enhance the Sarita Cemetery

- Natural Resources and Trade (NRT)
 - Developing, promoting and conserving natural resources for the benefit of the Nation
 - Clear invasive vegetation and protect standing timbers at the Kiiix'an National Historic Site
 - Research and create an Integrated Resource Management Plan to unlock the wealth of the land
 - Continue geological exploration for potential mining and mineral extraction
 - Continue development work on a potential deep sea port
 - Develop and implement a framework for land leases and resource dispositions to ensure HDC own source revenues
 - Promote HFN assets and organization for key strategic partnerships

3 Year forecast of revenue and operating expenditures

Revenue	2014/15	2015/16	2016/17
Treaty Capital Funding	\$2,713,319	\$2,341,233	\$2,341,233
Time Limited Federal Funding	\$445,372	\$445,372	\$445,372
Resource Revenue Sharing	\$411,213	\$419,437	\$427,826
AANDC Funding	\$2,797,229	\$2,895,132	\$2,996,461
Other Income - Invested Wealth	\$500,000	\$500,000	\$500,000
Other Income - Interest	\$100,000	\$100,000	\$100,000
Other Income - TSL Harvest	\$650,000	\$663,000	\$676,260
Other Income - HDC Dividend	\$0	\$0	\$0
Provincial fisheries Funding	\$71,051	\$71,051	\$71,051
Provincial EcDev Funding	\$41,822	\$41,822	\$41,822
NTC Program Funding	\$76,600	\$76,600	\$76,600
2013/14 Capital carry-forward	\$1,311,000	\$0	\$0
Total	\$9,117,606	\$7,553,647	\$7,676,625

Expenses	2014/15	2015/16	2016/17
Community Services Department	\$1,150,452	\$1,173,461	\$1,196,930
<i>Community Services Program</i>	\$606,822	\$618,959	\$631,338
<i>Culture and Education Program</i>	\$543,629	\$554,502	\$565,592
Government Services	\$2,967,769	\$3,027,124	\$3,087,667
<i>Council and Committees Program</i>	\$1,083,336	\$1,105,003	\$1,127,103
<i>Corporate Services Program</i>	\$897,900	\$915,858	\$934,175
<i>TSL Services Program</i>	\$146,957	\$149,896	\$152,894
<i>Infrastructure and Engineering Program</i>	\$505,799	\$515,915	\$526,234
<i>Natural Resources and Trade Program</i>	\$333,777	\$340,452	\$347,261
<i>Admin Services</i>	\$354,272	\$361,357	\$368,584
<i>Communications Program</i>	\$162,258	\$165,503	\$168,813
PM and Ec Dev Program	\$255,860	\$260,977	\$266,197
<i>Economic Development Program</i>	\$155,360	\$158,467	\$161,637
<i>Project Management System</i>	\$29,000	\$29,580	\$30,172
<i>Project Implementation</i>	\$71,500	\$72,930	\$74,389
Contingency and new programs	\$312,153	\$300,000	\$300,000
Capital and Mandatory Expenses			
Capital	\$3,421,000	\$1,781,713	\$1,815,460
Treaty Loan	\$565,000	\$565,000	\$565,000
Contribution to IWF	\$445,372	\$445,372	\$445,372
Total	\$9,117,606	\$7,553,647	\$7,676,625

Surplus / (Deficit) \$0 \$0 \$0

3 Year estimate of capital spending

CAPITAL	2013/14	2014/15	2015/16	2016/17
	Carry-forward			
Finance and Government Services				
Video conferencing equipment	\$12,000			
New office relocation and fit up	\$38,000			
Office Acquisition	\$400,000			
Human Services				
Truck	\$40,000			
Public Works and Community Infrastructure				
Signage (including Fisheries)	\$7,500			
Roof (Pawaats)	\$10,000			
Fish prep bldg	\$50,000			
Generator upgrade	\$65,000			
Electrical room upgrade	\$35,000			
Sewer project	\$460,000			
Fire Equip and Service	\$131,500			
Triplex	\$15,000			
Geological Exploration Project	\$47,000			
	<u>\$1,311,000</u>			
	0			
Community Services				
Pawaats Playground		\$10,000		
Light duty vehicle		\$30,000		
Medical Equip		\$10,000		
Misc Pawaats Setup		\$40,000		
		<u>\$90,000</u>		
Government Services				
Office Acquisition		\$400,000		
Office relocation fit up		\$50,000		
Video Conferencing Equipment		\$20,000		
Computer Equipment and Connectivity		\$16,000	\$10,000	\$10,000
Office equipment		\$20,000	\$10,000	\$10,000
Fisheries equipment		\$15,000	\$15,000	\$15,000
Gates and Physical Security		\$15,000	\$15,000	\$15,000
Fisheries Truck		\$80,000		
Grader / Brusher		\$80,000		

SchoolBus	\$50,000		
HoH Floor and Kitchen	\$75,000		
Sarita Cemetary	\$75,000		
Road gravel	\$10,000	\$10,000	\$10,000
Subdivision	\$650,000	\$500,000	\$500,000
	\$1,500,00		
Sewer Project	0	\$750,000	\$750,000
	\$3,056,000	\$1,310,000	\$1,310,000
PM-EcDev			
Geological Exploration	\$200,000	\$300,000	\$300,000
Deepsea Port Dev	\$75,000	\$200,000	\$200,000
	\$275,000	\$500,000	\$500,000

Cash Management

Cash management will be in accordance with the Cash Management Policy Regulation to maximize interest revenue and to maintain a 60 day operating reserve in the main operating account. Initial allocations of funding may be placed in money market or other high interest accounts and drawn quarterly or monthly as needed. All planned sources of revenue are from confirmed government allocations or conservative estimates of interest income. Cash will be used to fund ongoing programs and operations, provide allocation to the invested wealth fund and invest in Capital upgrades and acquisitions.

3 Year Invested Wealth Fund forecast

Funds	2014/15	2015/16	2016/17
IWF	\$10,999,684	\$11,715,034	\$12,480,458
HST	\$2,942,706	\$3,148,695	\$3,369,104

3 Year estimate of the balance sheet

Balance Sheet	2013	2014	2015	2016
Financial Assets				
Cash	\$4,892,572	\$50,000	\$50,000	\$50,000
Accounts Receivable	\$645,084	\$200,000	\$200,000	\$200,000
Invested Wealth Fund	\$3,407,165	\$10,999,684	\$11,715,034	\$12,480,458
Huu ay aht Settlement Trust	\$1,047,593	\$2,942,706	\$3,148,695	\$2,573,978
Restricted Cash	\$44,272	\$630,000	\$930,000	\$930,000
Investment in HDC	\$1,228,117	\$2,118,117	\$2,160,479	\$2,203,689
	\$11,264,803	\$14,822,390	\$16,043,729	\$16,234,436
Financial Liabilities				
Accounts Payable and Liabilities	\$411,427	\$250,000	\$250,000	\$250,000
Deferred Revenue	\$44,502	\$100,000	\$100,000	\$100,000
Loans Payable	\$3,401,564	\$3,036,564	\$2,671,564	\$2,306,564
Net Financial Assets	\$7,407,310	\$11,435,826	\$13,022,165	\$13,577,872
Non Financial Assets				
Tangible Capital Assets	\$13,659,340	\$13,112,966	\$14,429,218	\$15,727,749
Prepaid Expenses	\$21,487	\$21,917	\$22,355	\$22,802
Logging Tenure	\$2,940,000	\$3,422,916	\$3,491,374	\$3,561,202
Accumulated Surplus	\$24,028,137	\$27,993,625	\$30,965,113	\$32,889,625

Assumptions and Risks

Revenues are recorded at either known amounts or at conservative estimates for highly likely amounts. Funding that is uncertain, highly variable, or discretionary at the behest of a third party has not been recorded in the draft budgeted and will be accounted and allocated when confirmation of funding is received. As a result of this constraint, revenues as shown are highly certain. It is assumed that additional funds will be identified throughout the year as funding grants and proposals are approved those funds will be used to enhance or complement existing program funding. A mid-year review will be completed to determine the financial performance of the execution of the strategic plan and reallocate and address shortfalls and new revenue as required.

Some program activities are impacted by upcoming investment decisions and subsequently may be variable or adjusted based on decision of HFN Executive Council in Q1 of 2014/15 or throughout the year.