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**2025/26 HFN Financial Plan**



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## Contents

Executive Summary .....	3
Statement of Financial Position Proforma 2026-2028 .....	6
Financial Forecast - Three-Year forecast of revenue .....	7
Financial Forecast – Three year forecast of Operating Expenses .....	8
Operating Expenses by Department .....	9
Three-Year forecast of operating expenses and annual operating surplus (deficit) .....	12
Capital Project Infrastructure List – 2026-2027 .....	13
Cash Management .....	14
Cash Flow Statement Forecast 2026 – 2028 .....	15
Investments .....	16
Investment Wealth Fund .....	16
Settlement Trust .....	17
Assumptions, Risks and Limitations.....	18



huu ay aht

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## EXECUTIVE SUMMARY

The 2025/26 Huu-ay-aht First Nations (HFN) Financial Plan is designed to support the implementation of the Nation's Strategic Plan. It builds upon past successes while leveraging self-government, treaty rights, and economic development to address the challenges of colonization and achieve five key objectives for a stronger Huu-ay-aht.

Per the *Financial Administration Act*, the Financial Plan is to contain the following information:

- a) a summary of no more than 2 pages setting out the plan's most important information;
- b) a summary of budget decisions;
- c) an explanation of how the approved budget will contribute to the implementation of the strategic plan;
- d) a forecast of revenue from each revenue source for 3 years;
- e) an estimate of operating expenditure by budget line item for 3 years;
- f) an estimate of the excess of revenue over expenditure for 3 years, or if approved under section 19 (2), an estimate of the excess of expenditure over revenue for the periods approved;
- g) an estimate of capital spending by budget line item for 3 years;
- h) an estimate of the change in cash balances for 3 years, including a summary statement of sources and uses of cash;
- i) a forecast of the results for the Invested Wealth Fund for 3 years;
- j) an estimate of the balance sheet for 3 years;
- k) a statement of all material assumptions upon which the financial plan is based, including the sensitivity of the plan to changes in each assumption;
- l) any other matter Executive Council considers advisable

### Alignment with Strategic Priorities

HFN is undertaking several initiatives in 2025/26 that align with the Huu-ay-aht Strategic Plan 2024–2029 ([Strategic Plan](#)) and its four core priorities:



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1. **Muschuum and Maht Mahs (People and House)** – Ensuring the well-being, health, and cultural vitality of citizens and their families.
2. **H̄ahuuli Hišuk ma ć awak (Integrated Lands and Resources)** – Managing resources sustainably to meet present and future needs.
3. **ʔiihmisuk (To Treasure)** – Building a strong economy that attracts visitors, creates employment, and generates revenue for reinvestment.
4. **Haw' ił patuk Huu-ay-aht (Governance)** – Decision-making based on sacred principles, hereditary leadership, and long-term citizen well-being.

### **Five Overarching Objectives**

Guiding the Financial Plan are Five key goals:

1. Empower citizens through self-determination to reach their full potential.
2. Ensure children grow up safe, healthy, and connected to home and culture.
3. Create a safe, healthy, and appealing community where at least half of citizens choose to live.
4. Sustainably manage lands to generate wealth while respecting conservation values.
5. Establish a sustainable economy that serves as the region's major employer and primary revenue source for the Nation.

### **Background and context:**

As part of the annual budgeting process, the Financial Plan provided below, holds an important role for the Huu-ay-aht First Nation Government, as it sets out the core assumptions and anticipated outcomes corresponding to the planned activities of the government. Each department through their approved mandates provides valuable and important services to the citizens of the Huu-ay-aht First Nation. The Financial Plan highlights the financial impact of those workplans and the anticipated financial position related to the Government throughout the next three fiscal years.

It is important to note that much of what is presented is done so within the specific accounting framework that the Government must adhere to (i.e., Public Sector Accounting Standards) as well, the Financial Plan and subsequent budget forecast is performed based on known activities at this time. Activities planned and financial impacts beyond the 2026 fiscal year are presented with core



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assumptions and are likely to change as new information is known. For example, each year the Government applies for and receives significant Grants and Contributions from other levels of Government and external organizations. Many of these grants and contributions reoccur on an annual basis, but require reapplication each year. However, in the Financial Plan detailed below grant revenue has been assumed to be negotiated at the same historical amount as prior year and reflective of an assumed 1% increase year over year.

Finally, Finance would likely to communicate that the financial plan presented below is done so in alignment with how the audited financial statements are presented. However, Huu-ay-aht through its Financial Administration Act requires the passage of a Budget Act each year as a core piece of legislation that provides the authority of spending within the next fiscal year. The numbers presented within the Financial Plan below and the Budget Act may not align exactly. This is due to the method of presentation within the legislated Budget Act as well as the unique nature of its purpose. It is important to note that when comparing against the Audited Financial Statements, the numbers presented within the Financial Plan should be considered as the most aligned with the activities of the Government.



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## STATEMENT OF FINANCIAL POSITION PROFORMA 2026-2028

	March 31, 2026	March 31, 2027	March 31, 2028
<b>Financial Assets</b>			
Cash and cash equivalents	45,957,555	47,018,134	47,029,991
Accounts receivable	1,306,760	1,332,896	1,359,554
Portfolio Investments	50,867,380	52,000,506	53,197,087
Investment in government businesses	18,883,099	18,883,099	18,883,099
	<b>117,014,794</b>	<b>119,234,635</b>	<b>120,469,731</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	2,777,373	2,786,715	2,796,244
Deferred revenue	985,328	985,328	985,328
Long term debt	13,643,000	13,643,000	13,643,000
Other liabilities	2,358,489	2,405,659	2,453,772
Asset Retirement Obligation	130,534	137,794	145,648
	<b>19,894,725</b>	<b>19,958,496</b>	<b>20,023,992</b>
<b>Net Financial Assets</b>	<b>97,555,545</b>	<b>97,120,069</b>	<b>99,276,139</b>
<b>Non-financial Assets</b>			
Tangible capital assets	44,879,627	47,210,062	50,590,121
Prepaid expense	173,077	173,077	173,077
Crab fishing license	1,035,275	1,035,275	1,035,275
	<b>46,087,979</b>	<b>48,418,414</b>	<b>51,798,473</b>
<b>Accumulated Surplus</b>			
Accumulated operating surplus	140,622,920	145,109,425	149,659,083
Accumulated remeasurement gains	2,585,128	2,585,128	2,585,128
	<b>143,208,048</b>	<b>147,694,553</b>	<b>152,244,211</b>



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## FINANCIAL FORECAST - THREE-YEAR FORECAST OF REVENUE

	March 31, 2026	March 31, 2027	March 31, 2028
Taxation	37,219	37,219	37,219
Government transfers	20,264,909	20,812,060	21,378,462
Fees, charges, and other	-	-	-
Investment income	1,073,036	1,133,126	1,196,581
Stumpage income	250,000	250,000	250,000
Earnings (loss) from investment in government businesses	-	-	-
Grants and contributions	9,424,656	3,660,903	3,697,512
	<b>31,049,820</b>	<b>25,893,308</b>	<b>26,559,774</b>

1. **Government Transfers** – reflect specific funding agreements with other levels of government. Revenues forecasted for fiscal years 2027 and 2028 are based on historical trends and may be revised as new information becomes available.
2. **Fees, Charges, and Other** – includes cost recoveries from external funders, which are recognized as the corresponding costs are incurred. Since these revenues depend on actual expenditures, projections for 2026-2028 have not been included.
3. **Stumpage Income** – includes passthrough revenues from the Huu-ay-aht Group of Businesses (HGB). These are not treated as earnings from the operations of HGB, rather are reflective of monies received pertaining to Stumpage as initially collected by HGB.
4. **Earnings (Loss) from Investment in Government Businesses** – reflects the net income or loss from government business enterprises (GBEs) where the Nation is a primary stakeholder. These amounts are determined based on the GBEs' financial performance over a twelve-month period. For the next three fiscal years, the expected earnings have been reported as nil.
5. **Investment Income** – represents earnings from portfolio investments. It is assumed that no redemptions will occur between 2026 and 2028. All investment income is expected to be reinvested, meaning cash outflows related to investment income will be reflected in the cash flow statement. Investment income is inclusive of anticipated interest earned from all portfolio investments such as: the Invested Wealth Fund, the Settlement Trust, and earnings from High Interest Savings Accounts for the current Cash on hand. Finance recommends for the FY26 year to allocate more cash on hand into portfolio investments to increase overall revenues to



the Nation, however, the current Financial Plan does not take into consideration these investment activities at this time.

- Grants and Contributions** –for fiscal years 2027 and 2028 assumptions have been made that grant agreements will be renegotiated or renewed annually. Known one-time contributions have been excluded from this forecast, and remaining grant amounts have been increased by an assumed 1% annual growth rate.

### FINANCIAL FORECAST – THREE YEAR FORECAST OF OPERATING EXPENSES

	March 31, 2026	March 31, 2027	March 31, 2028
Government, Treaty & Law	3,096,860	2,690,834	2,771,559
Community & Citizen Services	3,160,500	3,226,475	3,323,269
Child & Family Wellness	3,130,631	2,771,350	2,854,490
Economic development	583,989	413,019	425,409
Finance	2,573,916	2,078,968	2,141,338
Infrastructure	2,109,211	1,978,332	2,037,682
Land and natural resources	3,389,685	2,026,812	2,087,617
Administration, HR & Communication	1,707,316	1,333,584	1,373,592
ꞑumꞑiiqsu Centre	2,620,441	2,521,220	2,596,856
<i>Finance - Amortization of financing fees</i>	-	-	-
<i>Finance - Accretion expense</i>	6,709	7,259	7,855
<i>Finance - Amortization</i>	1,728,949	1,728,949	1,728,949
	<b>24,108,207</b>	<b>20,776,803</b>	<b>21,348,616</b>

- Non-Cash Accounting Expenses** – Amortization and accretion expenses have been separated from operational activities but are included in the Financial Plan as part of the transition toward accrual-based budgeting. These non-cash transactions reflect the depreciation of capital assets and the anticipated future liability for asset retirement.
- Forecasted Expenses for 2027 and 2028** – Expense projections for these years are based on anticipated non-discretionary costs for each department. These projections are adjusted for inflation using a historical trend analysis, with an assumed annual increase of 3%.
- Anticipated Additional Expenses not included in the Financial Plan** – the Finance Committee and Executive Council have communicated a desire to explore the feasibility of implementing the most recently passed Economic Development Plan, the Forum Framework plan, and other economic development opportunities. As the costs and anticipated revenues



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related to these initiatives are unknown at the time of drafting the Financial Plan they have not been included. However, included in the Economic Development department is \$170k for external consultant support intended to be used for feasibility studies to help identify some of the future anticipated costs. Future financial plan revisions are recommended as new and known revenues are received. Yet, those amounts may show as budget variances throughout the year as expenses are incurred. Finance continues to communicate that budget variances with explanations associated with the variance are in line with best practice of government operations.

#### OPERATING EXPENSES BY DEPARTMENT

Government, Treaty & Law	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 4,500	\$ -	\$ 4,500
Professional and contractor fees	\$ 1,100,000	\$ 344,500	\$ 1,444,500
Other goods and services	\$ 4,000	\$ 3,000	\$ 7,000
Administration	\$ 121,000	\$ 95,500	\$ 216,500
Salaries and Wages	\$ 1,272,960	\$ 31,400	\$ 1,304,360
Travel	\$ 110,000	\$ 10,000	\$ 120,000
<b>Grand Total</b>	<b>\$ 2,612,460</b>	<b>\$ 484,400</b>	<b>\$ 3,096,860</b>

Community and Citizen Services	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 10,000	\$ -	\$ 10,000
Professional and contractor fees	\$ 1,786,235	\$ 15,500	\$ 1,801,735
Other goods and services	\$ 144,000	\$ 12,500	\$ 156,500
Administration	\$ 218,500	\$ -	\$ 218,500
Salaries and Wages	\$ 945,265	\$ -	\$ 945,265
Travel	\$ 28,500	\$ -	\$ 28,500
<b>Grand Total</b>	<b>\$ 3,132,500</b>	<b>\$ 28,000</b>	<b>\$ 3,160,500</b>



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Children and Family Wellness	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 35,600	\$ 2,500	\$ 38,100
Professional and contractor fees	\$ 810,800	\$ 429,000	\$ 1,239,800
Other goods and services	\$ 518,170	\$ -	\$ 518,170
Administration	\$ 5,000	\$ 1,000	\$ 6,000
Salaries and Wages	\$ 1,291,061	\$ -	\$ 1,291,061
Travel	\$ 30,000	\$ 7,500	\$ 37,500
<b>Grand Total</b>	<b>\$ 2,690,631</b>	<b>\$ 440,000</b>	<b>\$ 3,130,631</b>

Economic Development	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 2,000	\$ -	\$ 2,000
Professional and contractor fees	\$ 111,000	\$ 177,500	\$ 288,500
Other goods and services	\$ 1,600	\$ -	\$ 1,600
Administration	\$ 8,000	\$ 2,500	\$ 10,500
Salaries and Wages	\$ 263,389	\$ -	\$ 263,389
Travel	\$ 15,000	\$ 3,000	\$ 18,000
<b>Grand Total</b>	<b>\$ 400,989</b>	<b>\$ 183,000</b>	<b>\$ 583,989</b>

Finance	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 27,000	\$ -	\$ 27,000
Professional and contractor fees	\$ 397,000	\$ 543,500	\$ 940,500
Other goods and services	\$ 429,669	\$ 5,000	\$ 434,669
Administration	\$ 87,500	\$ 5,000	\$ 92,500
Salaries and Wages	\$ 619,246	\$ -	\$ 648,939
Travel	\$ 8,000	\$ 2,000	\$ 10,000
Citizen Distribution	\$ 450,000	\$ -	\$ 450,000
Amortization	\$ 1,728,949	\$ -	\$ 1,728,949
<b>Grand Total</b>	<b>\$ 3,777,058</b>	<b>\$ 555,500</b>	<b>\$ 4,332,558</b>



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Infrastructure	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 274,000	\$ -	\$ 274,000
Professional and contractor fees	\$ 200,000	\$ 175,000	\$ 375,000
Other goods and services	\$ 494,000	\$ 13,500	\$ 507,500
Administration	\$ 35,000	\$ -	\$ 35,000
Salaries and Wages	\$ 910,211	\$ -	\$ 910,211
Travel	\$ 7,500	\$ -	\$ 7,500
<b>Grand Total</b>	<b>\$ 1,920,711</b>	<b>\$ 188,500</b>	<b>\$ 2,109,211</b>

Lands and Natural Resources	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 89,985	\$ 41,700	\$ 131,685
Professional and contractor fees	\$ 244,000	\$ 1,239,029	\$ 1,483,029
Other goods and services	\$ 214,029	\$ 90,000	\$ 304,029
Administration	\$ -	\$ -	\$ -
Salaries and Wages	\$ 1,388,765	\$ 32,227	\$ 1,420,992
Travel	\$ 31,000	\$ 18,950	\$ 49,950
<b>Grand Total</b>	<b>\$ 1,967,779</b>	<b>\$ 1,421,906</b>	<b>\$ 3,389,685</b>

Administration, HR & Communications	Non-Discretionary (Core)	Discretionary (One-times)	Total
Materials and Supplies	\$ 58,200	\$ 26,000	\$ 84,200
Professional and contractor fees	\$ 130,148	\$ 340,672	\$ 470,820
Other goods and services	\$ 27,512	\$ 500	\$ 28,012
Administration	\$ 9,500	\$ 15,000	\$ 24,500
Salaries and Wages	\$ 1,027,882	\$ 30,402	\$ 1,058,284
Travel	\$ 41,500	\$ -	\$ 41,500
<b>Grand Total</b>	<b>\$ 1,294,742</b>	<b>\$ 412,574</b>	<b>\$ 1,707,316</b>

New for the 2025/2026 Financial Plan and budget forecasting activities is the separation of expenses into **Non-discretionary (Core)** and **Discretionary (One-time)** categories. This distinction enables



the Government to more accurately forecast the resources required for ongoing day-to-day operations versus project-specific initiatives.

Expenses categorized under **One-time initiatives** may be associated with specific grants or projects that are not expected to recur annually. This separation helps ensure that future financial forecasts neither overstate nor understate anticipated expenses or revenues, particularly when tied to short-term activities.

Further work within Finance is expected to enhance transparency and accuracy in tracking these activities. However, the financial plan as presented reflects significant progress across the organization in improving financial clarity and reporting.

In an effort to adhere to the transparency of Nation Government operations, Executive Council wishes to communicate that council base remuneration (before portfolio adjustments) has increased in FY26 at a rate of 5.2%. This has been done as Council base remuneration has not increased year over year since 2018. These changes have been reflective within the Government, Treaty & Law Department for which Executive Council remuneration is housed.

Exclusive of the Operating expenses of the Nation, yet documented for the FY26 budget year are a \$600,000 transfer to the ma-As ta-kilmth Housing Society to support operations of the society for the upcoming fiscal year, as well as a \$1,300,000 direct cash transfer to the Huumiis Ventures Corporation to support the required debt payments of the special investment body as well as an anticipated \$500,000 to restructure the operations of the Corporation.

**THREE-YEAR FORECAST OF OPERATING EXPENSES AND ANNUAL OPERATING SURPLUS (DEFICIT)**

	March 31, 2026	March 31, 2027	March 31, 2028
Annual Surplus (deficit)	4,541,613	4,486,505	4,549,658

The projected annual surpluses for the 2027 and 2028 fiscal years are based on current assumptions, including the expectation that grant and government transfer revenues will remain consistent with historical trends. As these funding sources are subject to external factors such as policy changes,



economic conditions, and program availability, actual results may vary. The financial projections will continue to be refined as new information becomes available to ensure alignment with updated funding realities and operational needs.

**CAPITAL PROJECT INFRASTRUCTURE LIST – 2026-2027**

Remaining Oomiiqsu Capital Needs	\$	1,022,058
Construction of Second Stage Housing	\$	1,000,000
Construction of the Wellness Centre	\$	750,000
Sewer	\$	330,000
Fleet for Government Offices	\$	240,000
Other Capital Projects	\$	1,623,340
<b>Total</b>	<b>\$</b>	<b>4,965,398</b>

The capital project list above outlines the net-new capital projects the Government plans to acquire or construct in the upcoming fiscal year. The five largest capital projects (by dollar value) are detailed individually within the above table.

The line item “Other Capital Projects” represents smaller capital investments across various departments that meet the Government’s Capitalization Threshold and qualify as capital expenditures under its Standard Accounting Policies. This category includes approximately 17 distinct projects, ranging in cost from \$10,000 to \$200,000.

Throughout the year, urgent capital needs may arise, requiring a reallocation of previously approved capital expenditures. The “Other Capital Projects” category provides flexibility for such adjustments, ensuring the Government can address unforeseen priorities as they emerge.

All listed capital projects align with the 2026-27 strategic plan objectives, with a focus on completing long-standing initiatives and delivering essential infrastructure to support a safe and healthy living environment for citizens and residents of the Huu-ay-aht Anacla Community.

Not included in the above, but provided for clarification is the carry forward of prior approved Capital Projects. The *Budget Act 2025* includes total authorized spending of \$12,293,406 which is made up of the Capital Projects listed above as well as the following:

\$5.8 million for the Water System Upgrade

\$1 million for the Cultural Centre



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\$512k for House of Huu-ay-aht Upgrades

## **CASH MANAGEMENT**

The primary operating account's cash reserve will be maintained at a 60-day threshold, with interest income maximized in accordance with the Cash Management Policy Regulation. Funds may be initially allocated to money market or other high-interest accounts, with withdrawals occurring quarterly or monthly, as needed. All anticipated revenue is derived from either government allotments or reasonable estimates of interest income. Cash will be strategically allocated to the Invested Wealth Fund for long-term financial growth, used to support ongoing operations and projects, and directed toward capital upgrades and acquisitions to enhance infrastructure and assets.



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## CASH FLOW STATEMENT FORECAST 2026 – 2028

	March 31, 2026	March 31, 2027	March 31, 2028
<b>Operating transactions</b>			
Annual Surplus	4,541,613	4,486,505	4,549,658
<b>Non-cash items</b>			
Amortization	1,728,949	1,728,949	1,728,949
Amortization of financing fees	-	-	-
Loss (earnings) from investment in government businesses	-	-	-
Accretion expense	6,709	7,259	7,855
<b>Changes in working capital accounts</b>			
Accounts receivable	(25,623)	(26,135)	(26,658)
Accounts payable and accruals	9,159	9,342	9,529
Deferred revenue	-	-	-
Prepaid expenses	-	-	-
Other liabilities	46,245	47,170	48,113
<b>Cash flows from operating transactions</b>	<b>6,307,052</b>	<b>6,253,090</b>	<b>6,317,446</b>
<b>Capital transactions</b>			
Purchase of tangible capital assets	(7,319,616)	(4,059,384)	(5,109,008)
Proceeds on sale of tangible capital assets			
<b>Cash flows from capital transactions</b>	<b>(7,319,616)</b>	<b>(4,059,384)</b>	<b>(5,109,008)</b>
<b>Investing transactions</b>			
Redemption of Guaranteed Investment Certificates	-	-	-
Redemption of (Investment in) Huu-ay-aht Settlement Trust	(88,689)	(93,656)	(98,901)
Redemption of (investment in) Invested Wealth Fund	(984,347)	(1,039,470)	(1,097,681)
<b>Cash flows from investing transactions</b>	<b>(1,073,036)</b>	<b>(1,133,126)</b>	<b>(1,196,581)</b>
<b>Financing transactions</b>			
Cash proceeds from debt financing	-	-	-
Repayment of long term debt	-	-	-
<b>Cash flows from financing transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>(2,085,600)</b>	<b>1,060,580</b>	<b>11,857</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>48,043,154</b>	<b>45,957,555</b>	<b>47,018,134</b>
<b>Cash and cash equivalents, end of year</b>	<b>45,957,555</b>	<b>47,018,134</b>	<b>47,029,991</b>



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## INVESTMENTS

### INVESTMENT WEALTH FUND

The table below presents the forecast for the Invested Wealth Fund (IWF) over the next three years, comparing its projected value to the target value established under the Financial Administration Act (FAA). The table reflects the Fund's current market value, which represents the value of financial securities at prevailing public market prices. In contrast, the HFN financial statements, in accordance with accounting standards, report the Fund's value based on book value, which reflects the cost of securities at the time of acquisition.

Under the FAA, the target value of the Invested Wealth Fund is determined using the following formula from Section 60(3):

*"The target value of the Invested Wealth Fund after March 31, 2019, is \$11,907,910 multiplied by the ratio of FDDIPI as at the most recent quarter for which the index was published to FDDIPI as at the fourth quarter of 2004."*

Finance interprets this requirement to mean that the Invested Wealth Fund should outperform the most recent quarterly FDDIPI (Final Domestic Demand Implicit Price Index) performance available at the time of developing the Financial Plan. For reference, the table below includes the past five years of fourth-quarter FDDIPI performance.

Year	FDDIPI Q4 Performance
2020	<b>0.86%</b>
2021	<b>2.63%</b>
2022	<b>2.96%</b>
2023	<b>3.20%</b>
2024	<b>2.42%</b>

1. Source: Statistics Canada Table: 36-10-0106-01

The Invested Wealth Fund has historically outperformed its performance target each year, with the exception of 2022. Finance's projections are based on the historical average annual return of 6.45%; however, to account for potential market fluctuations and external macroeconomic uncertainties, a more conservative estimate of 5.6% has been applied. This adjustment helps mitigate the impact of volatility and ensures a prudent approach to long-term financial planning.



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Year	Annual Investment Return %
2020	11.48
2021	11.35
2022	-8.14
2023	10.31
2024	6.45

Please refer to the table below for the expected interest earned for 2025–2028.

	2026	2027	2028
<b>Estimated Opening Balance Market Value</b>	<b>16,763,780</b>	<b>17,702,552</b>	<b>18,693,895</b>
<b>Transfer from IWF</b>	-	-	-
<b>Income from Investments Net of Costs</b>	-	-	-
<b>Forecast 5.6 % Interest*</b>	938,772	991,343	1,046,858
<b>Estimated Closing Market Value IWF</b>	<b>\$ 17,702,552</b>	<b>\$ 18,693,895</b>	<b>\$ 19,740,753</b>

The assumed interest rate of 5.6% is derived from the Invested Wealth Fund's historical average annual rate of return of 6.45% since its inception on April 30, 2020. While past performance does not guarantee future results, a more conservative projection has been adopted to reflect a prudent and risk-aware approach to financial planning. This adjustment helps account for potential market volatility and aligns with a more cautious investment strategy.

## SETTLEMENT TRUST

The purpose of this Trust is to hold and protect capital transfers and resource revenues intended for its beneficiaries: the Huu-ay-aht Government, other Government trusts, any registered charity or not-for-profit organizations that are qualified donees that in the opinion of the Trustees directly or indirectly benefits one or more Huu-ay-aht citizens, or a combination of the above mentioned entities and persons.



For the purposes of forecasting revenue for the Settlement Trust a conservative annual rate of return of 5.6% has been used for FY26 through FY28. The table below highlights the anticipated revenue associated with the Settlement Trust Account

	2026	2027	2028
<b>Estimated Opening Balance Market Value</b>	<b>1,583,736</b>	<b>1,672,425</b>	<b>1,766,081</b>
<b>Transfer from Settlement Trust</b>	-	-	-
<b>Income from Investments Net of Costs</b>	-	-	-
<b>Forecast 5.6 % Interest*</b>	88,689	93,656	98,901
<b>Estimated Closing Market Value Settlement Trust</b>	<b>\$ 1,672,425</b>	<b>\$ 1,766,081</b>	<b>\$ 1,864,982</b>

## ASSUMPTIONS, RISKS AND LIMITATIONS

This Financial Plan is built on conservative assumptions regarding income, expenses, capital funding, spending, and the value of the Invested Wealth Fund.

According to the 2024 Audited Financial Statements (Audit Note 11), there is an outstanding Huumiis loan of approximately \$14 million. The repayment of the loan has not been incorporated within the Financial Plan under the direct operations of the Government. Instead, a direct cash contribution to Huumiis of approximately \$1.8 million has been included to support ongoing loan payments and ensure compliance with external financing covenants related to required cash balances.

As mentioned previously within the 2025-2026 Financial Plan, there are a few initiatives and activities that have not been costed out or funding communicated to support the anticipated initiatives. These relate to the Economic Development initiatives as introduced within the recently adopted Economic Development Plan, the Forum/Framework Plan, and other economic development initiatives. At the time of drafting the financial plan, these numbers were not known, nor would a reasonable estimate be available for forecasting purposes. As new information is received related to these initiatives Finance recommends revising the Financial Plan to account for these new projects.



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**March 31, 2024**

**11. Long Term Debt**

	2024	2023 Restated - Note 23
Term loan - Tsawak-qin Forestry Phase 2	\$ 8,620,000	\$ 9,340,000
Vendor-take-back financing-Tsawak-qin Forestry Phase 2	2,600,000	2,600,000
Advances from Tsawak-qin Forestry LP	2,423,000	1,150,000
RBC Term Loan - Land purchase	54,794	259,039
BMO Term Loan - NEDC - Crab license	340,843	350,571
RBC Term Loan - PAGO	179,746	208,119
HFN Development LP Term Loan - Special Projects	560,016	526,827
	<u>\$14,778,399</u>	<u>\$ 14,434,556</u>
Less: Unamortized financing costs	70,000	120,000
	<u>\$14,708,399</u>	<u>\$ 14,314,556</u>

The estimated principal repayments on the above long term debt required over the next five years are as follows:

2025	\$ 14,453,012
2026	10,555
2027	11,453
2028	12,429
2029	13,487
Thereafter	277,463
	<u>\$ 14,778,399</u>

**Limitations:**

Expense Estimates: All estimated expenses were provided by department managers and reviewed by Finance. These estimates are based on historical trend analysis, where actual expenses were compared against department managers' requests, with adjustments made as necessary to reflect past spending patterns and expected needs.

Revenue and Grant Funding: Revenue and grant funding projections were sourced from department managers under the condition that only approved or guaranteed funding for the upcoming fiscal year



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is included. While managers identified potential additional grants for which applications were still under review or planned for submission, these have not been explicitly incorporated into the revenue forecast. However, to account for the variance between known grants and historical trends of grants that are often renewed, the prior year's Grants and Contributions amounts have been carried forward in the assumption that they will be renewed in a general amount equivalent to Fiscal Year 2025, yet these do not tie to specific grants or funding agreements. It should be noted that should the forecasted grant amounts not be renewed or are renewed at significantly reduced amounts, the annual surplus amount will be impacted and the surplus forecasted for 2027 and 2028 will require revision.

**Salary Estimates:** Salary estimates were prepared by reconciling budgeted full-time equivalent (FTE) positions with their respective departments, ensuring the inclusion of part-time, hourly, and full-time salaried staff. Vacant positions have been accounted for with the assumption that they will be filled throughout the year. Benefit costs were estimated at 20% of salary value, based on industry benchmarks. However, this may not precisely reflect the actual benefit mix for Huu-ay-aht staff, given the varying levels of benefits offered by position.

**Inflation Adjustments:** For future-year forecasting, a 3% inflation rate has been applied to non-discretionary expenses that are typically affected by inflationary pressures, such as materials, supplies, and professional services. However, interest and amortization expenses have not been inflated, as they are either not directly impacted by inflation or are expected to decrease due to principal repayments on outstanding loans.

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