

**HUL'QUMI'NUM TREATY GROUP
FINANCIAL STATEMENTS
MARCH 31, 2008**

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MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Hul'qumi'num Treaty Group for the year ended March 31, 2008 are the responsibility of management and have been approved by the Directors on behalf of the Society.

The financial statements have been prepared by management in accordance with generally accepted accounting principles. Financial statements are not precise, since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Society maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Society's assets are appropriately accounted for and adequately safeguarded.

The Directors are responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by M^cIntosh Norton Williams CGAs, in accordance with generally accepted auditing standards on behalf of the members. M^cIntosh Norton Williams CGAs has full and free access to the Society.



Director



Director

September 29, 2008
Date



McINTOSH | NORTON | WILLIAMS
certified general accountants

Cory McIntosh, CGA, CAFM, CFP *
Jay R. Norton, FCGA, CAFM *
Michael K. Williams, CGA *
Jason S. Moore, BA, CGA *
**practising as a professional corporation*

"It's not what you earn, it's what you keep!"

AUDITOR'S REPORT

To the Members of the Hul'qumi'num Treaty Group

We have audited the summary statement of financial position of the Hul'qumi'num Treaty Group as at March 31, 2008 and the summary statement of financial activities for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these summary financial statements present fairly, in all material respects, the financial position of the Hul'qumi'num Treaty Group as at March 31, 2008 and the results of its operations for the year then ended in accordance with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the summary financial statements. The current year's supplementary information included in the schedules is presented for purposes of additional analysis and is not a required part of the summary financial statements. Such supplemental information has been subjected to the auditing procedures applied in the audit of the summary financial statements and, in our opinion, is fairly stated in all material respects in relation to the summary financial statements.

McINTOSH | NORTON | WILLIAMS
certified general accountants

Port Alberni, B.C.

June 26, 2008

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**Hul'qumi'num Treaty Group
Summary Statement of Financial Position
As at March 31, 2008**

	2008 \$	2007 \$
ASSETS		
Current		
Cash	871,988	718,933
Accounts receivable	106,600	322,939
Goods and services tax recoverable	3,041	6,988
Prepaid expense	<u>904</u>	<u>6,647</u>
	982,533	1,055,507
Capital assets (Note 3)	74,784	108,635
Due to related entities (Note 4)	<u>-</u>	<u>39,773</u>
	<u>1,057,317</u>	<u>1,203,915</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	157,283	341,330
Wages and benefits payable	90,368	93,306
Deferred revenue	<u>-</u>	<u>32,754</u>
	247,651	467,390
Canada - loan payable (Note 5)	18,680,228	16,528,388
Due to related entities (Note 4)	32,197	-
Deferred capital grant revenue	<u>5,577</u>	<u>-</u>
	18,965,653	16,995,778
MEMBERS' DEFICIT		
Deficit (Note 6)	<u>(17,908,336)</u>	<u>(15,791,863)</u>
	<u>1,057,317</u>	<u>1,203,915</u>

Approved on Behalf of the Directors

 Director

 Director

The accompanying notes are an integral part of these statements.

Hul'qumi'num Treaty Group
Summary Statement of Financial Activities
Year Ended March 31, 2008

		Actual 2008 \$	Actual 2007 \$
Revenue			
Canada-loan payable	2,151,840	2,151,840	2,571,840
BC Treaty Commission contribution	537,960	537,960	672,960
BC Hydro	-	-	224,951
Indian and Northern Affairs Canada	-	-	109,886
Environment Canada	132,754	132,754	88,246
Grants, referrals and recoveries	-	65,429	-
Health and Welfare Canada	-	-	80,650
Administration fees	-	-	53,219
Parks Canada	-	54,547	28,544
Interest	-	34,600	33,205
Referrals	-	-	24,940
Provincial government grants	-	-	15,080
University of Victoria	-	9,000	-
Other revenue	-	-	1,311
	<u>2,822,554</u>	<u>2,986,130</u>	<u>3,904,832</u>
Expenditure			
General and Other Projects Fund - page 7	164,754	237,914	561,384
Treaty Fund - page 15	<u>2,942,513</u>	<u>2,708,997</u>	<u>3,434,252</u>
	<u>3,107,267</u>	<u>2,946,911</u>	<u>3,995,636</u>
Excess (shortfall) of revenue over expenditure	<u>(284,713)</u>	39,219	(90,804)
Canada - loan payable		<u>(2,151,840)</u>	<u>(2,571,840)</u>
		<u>(2,112,621)</u>	<u>(2,662,644)</u>
Deficit - beginning of year - as originally stated		(15,764,073)	(13,054,846)
Correction of prior period income (Note 7)		(27,790)	(32,094)
As restated		<u>(15,791,863)</u>	<u>(13,086,940)</u>
Changes in equity in capital assets		<u>(33,852)</u>	<u>(42,279)</u>
Deficit - end of year		<u>(17,908,336)</u>	<u>(15,791,863)</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
Notes to Financial Statements
March 31, 2008**

1. Basis of Presentation and Significant Accounting Policies

The Hul'qumi'num Treaty Group is comprised of the Cowichan, Chemainus, Halalt, Lake Cowichan, Lyackson and Penelakut First Nations. The Society's purpose is to prepare for and carry out negotiations with Canada and British Columbia as contemplated by the British Columbia Treaty Commission (BCTC). The Society was incorporated under the B.C. Society Act on November 8, 1994 and is exempt from taxation.

a) **Fund Accounting**

The Hul'qumi'num Treaty Group uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal contract, contractual or voluntary actions. The various funds have been amalgamated for purposes of presentation in the summary financial statements. The General and Other Projects Fund reports on the assets, liabilities and results of operations for general and non-BC Treaty Commission treaty activities. The Treaty Fund reports on the assets, liabilities and results of operations of the BCTC treaty activities. The Capital Fund holds the capital assets at their unamortized balances.

b) **Statement of Cash Flows**

A statement of cash flows has not been prepared since it is considered that such a statement would not provide information of any significance beyond that provided in these financial statements.

c) **Comparative Figures**

Comparative figures have been reclassified, where applicable, to conform to current presentation.

d) **Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting amount of assets, liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

e) **Capital Assets**

Capital assets are recorded at cost and amortized using the straight-line method at the following annual rates:

Furniture, equipment and computers	3 and 5 years
Leasehold improvements	5 years

2. Economic Dependence

The Society derives a majority of its income from federal and provincial government contributions which are subject to annual review and are not guaranteed from year-to-year.

Hul'qumi'num Treaty Group
Notes to Financial Statements
March 31, 2008

3. Capital Assets

	2008		2007	
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	197,262	156,881	40,381	55,530
Leasehold improvements	22,305	7,790	14,515	10,572
Capital assets - First nations	17,560	14,048	3,512	7,024
Computer equipment	<u>139,985</u>	<u>123,609</u>	<u>16,376</u>	<u>35,509</u>
	<u>377,112</u>	<u>302,328</u>	<u>74,784</u>	<u>108,635</u>

4. Due (to)/from Related Entities

Advances are comprised of the following which are unsecured, non-interest bearing and due on demand.

Chemainus First Nation	4,888	2,660
Cowichan Tribes	(30,335)	65,755
Halalt First Nation	(2,900)	(11,600)
Lake Cowichan First Nation	(1,000)	(5,652)
Penelakut Tribe	<u>(2,850)</u>	<u>(11,390)</u>
	<u>(32,197)</u>	<u>39,773</u>

5. Treaty Loan from British Columbia Treaty Commission

During the current year, the Society received funds from the federal Department of Indian Affairs and Northern Development and the provincial British Columbia Treaty Commission. Under the terms of those agreements, the Society received both loaned and contributed funds, a portion of which it subsequently reloaned and contributed to its member First Nations.

For the year ended March 31, 2008, the Society received \$537,960 contribution funding with a further \$2,151,840 (total 2008 \$18,680,228; 2007 \$16,528,388) loaned to it. The funds are to be used solely for the purpose of treaty negotiations. The loan proceeds are non-interest bearing and become due and payable upon the earlier of:

- a) February 8, 2012 pursuant to an Extension Agreement signed July 25, 2006;
- b) the seventh (7th) anniversary of the date of signing of an agreement-in-principle;
- c) the date on which a treaty is signed by the parties;
- d) the date on which the agreement is terminated or;
- e) the date on which the Society commits an act of bankruptcy.

Hul'qumi'num Treaty Group
Notes to Financial Statements
March 31, 2008

6. Members' Deficit

Members' equity (deficit) is comprised of:

	2008	2007
	<u>\$</u>	<u>\$</u>
Operating	440,536	352,120
Capital	74,782	108,634
Treaty	<u>(18,423,654)</u>	<u>(16,252,617)</u>
Total Members' Deficit	<u>(17,908,336)</u>	<u>(15,791,863)</u>

7. Correction of Prior Period Income

The prior year's figures have been adjusted by \$27,790 to reflect an adjustment made to amounts due to/from related entities.

8. Financial Instruments

The financial instruments of the Society consist of cash, accounts receivable, accounts payable and accruals, wages payable, and debt. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

**Hul'qumi'num Treaty Group
General and Other Projects Fund
Schedule of Financial Position
As at March 31, 2008**

	2008	2007
	\$	\$
ASSETS		
Cash	681,580	512,413
Accounts receivable	106,600	322,939
Goods and services tax recoverable	3,041	6,988
Prepaid expenses	904	6,647
Due to related entities (Note 4)	-	39,773
	792,125	888,760
LIABILITIES		
Accounts payable and accrued liabilities	157,282	341,329
Wages and benefits payable	90,368	93,306
Deferred revenue	-	32,754
Due to related entities (Note 4)	32,197	-
Due to own funds	71,742	69,251
	351,589	536,640
MEMBERS' EQUITY		
Unrestricted (Note 6)	440,536	352,120
	792,125	888,760

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
General and Other Projects Fund
Summary Schedule of Revenue, Expenditure and Equity by Program
Year Ended March 31, 2008**

Program	Page	Government Funding \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	Excess (Shortfall) \$	Opening Equity (Deficit) \$	Transfers \$	Ending Equity (Deficit) \$
General	8	-	154,576	154,576	73,460	81,116	352,120	-	433,236
Coast Salish Gathering	11	132,754	30,000	162,754	162,754	-	-	-	-
CURA program	14	-	9,000	9,000	1,700	7,300	-	-	7,300
		<u>132,754</u>	<u>193,576</u>	<u>326,330</u>	<u>237,914</u>	<u>88,416</u>	<u>352,120</u>	<u>-</u>	<u>440,536</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
General and Other Projects Fund
Schedule of Individual Program Revenue, Expenditure and Equity
Year Ended March 31, 2008**

	Actual 2008 \$	Actual 2007 \$
General		
Revenue		
Grants, referrals and recoveries	65,429	-
Interest income	34,600	33,204
Administration fees	-	53,219
Parks Canada	54,547	-
Referral	-	24,940
Other income	-	1,311
	<u>154,576</u>	<u>112,674</u>
Expenditure		
Aboriginal Day	-	5,006
Bad debts	7,545	-
Communications	5,923	-
Computer repairs & maintenance	3,419	-
Consultants	4,209	334
Materials	-	5,003
Meeting costs	18,074	-
Office	1,076	-
Training	1,500	-
Travel	967	-
Wages and benefits	30,747	-
	<u>73,460</u>	<u>10,343</u>
Excess of revenue over expenditure	81,116	102,331
Equity - beginning of year - as originally stated	379,910	281,263
Correction of prior period income (Note 7)	<u>(27,790)</u>	<u>(27,790)</u>
As restated	352,120	253,473
Transfers	-	(3,684)
Equity - end of year	<u>433,236</u>	<u>352,120</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
General and Other Projects Fund
Schedule of Individual Program Revenue, Expenditure and Equity
Year Ended March 31, 2008**

	Actual 2008 \$	Actual 2007 \$
Shellfish Aquaculture Project		
Revenue		
Contribution from Treaty Fund	-	19,686
Excess of revenue over expenditure and ending equity	-	19,686

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
General and Other Projects Fund
Schedule of Individual Program Revenue, Expenditure and Equity
Year Ended March 31, 2008**

	Actual 2008 \$	Actual 2007 \$
Shared Decision Making Model		
Revenue		
Indian and Northern Affairs Canada	-	109,886
Expenditure		
Administration	-	6,309
Consultants	-	56,541
Honoraria	-	6,100
Supplies and meeting costs	-	4,123
Travel	-	1,309
Wages and benefits	-	26,664
Training	-	8,840
	-	109,886
Excess of revenue over expenditure and ending equity	-	-
Shellfish Contamination Project		
Revenue		
Health & Welfare Canada	-	80,650
Expenditure		
Administration and other	-	3,230
Consultants	-	9,240
Community workshops	-	2,745
Education and communication	-	13,341
Sample collection, processing and transport	-	8,154
Travel	-	2,105
Wages and benefits	-	41,835
	-	80,650
Excess of revenue over expenditure and ending equity	-	-
Equity - beginning of year - as originally stated	-	4,304
Correction of prior period income (Note 7)	-	(4,304)
Equity - end of year	-	-

The accompanying notes are an integral part of these statements.

Hul'qumi'num Treaty Group
Schedule of Individual Program Revenue, Expenditure and Equity
Year Ended March 31, 2008

	Budget \$	Actual 2008 \$	Actual 2007 \$
V. I. Transmission Reinforcement			
Revenue			
BC Hydro		-	224,951
Expenditure			
Administration fee		-	19,215
Allocation to First Nations		-	16,094
Consultants		-	159,989
Meeting costs		-	2,060
Referral fee		-	24,740
Travel		-	2,853
		-	224,951
Excess of revenue over expenditure and ending equity		-	-
Coast Salish Gathering			
Revenue			
Ministry of Environment	132,754	132,754	63,246
Inkind income	30,000	30,000	-
	<u>162,754</u>	<u>162,754</u>	<u>63,246</u>
Expenditure			
Administration	10,540	10,540	3,540
Contracts	11,000	8,493	42,613
Contribution to capital asset fund	-	5,577	-
Honoraria	15,267	15,267	-
Inkind costs	30,000	30,000	-
Meetings and facilities costs	24,804	24,446	-
Office supplies	8,000	11,817	-
Supplies and materials	-	-	14,269
Travel	31,696	31,796	2,824
Wages and benefits	33,447	24,818	-
	<u>164,754</u>	<u>162,754</u>	<u>63,246</u>
Excess of revenue over expenditure and ending equity	<u>(2,000)</u>	-	-

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
Treaty Related Measures and General Fund
Schedule of Individual Program Revenue, Expenditure and Equity
Year Ended March 31, 2008**

	Actual 2008 \$	Actual 2007 \$
Women's Caucus		
Revenue		
Federal government grant	-	25,000
Expenditure		
Meetings and facilities costs	-	12,382
Publicity and promotions	-	14,801
Travel	-	1,501
	-	28,684
Excess (shortfall) of revenue over expenditure	-	(3,684)
Transfers	-	3,684
Equity - end of year	-	-
Integrated Pest Mgnt. Program		
Revenue		
Provincial government grant	-	15,080
Expenditure		
Administration fee	-	4,107
Consultants	-	4,669
Legal fees	-	5,068
Travel	-	1,236
	-	15,080
Excess of revenue over expenditure and ending equity	-	-

The accompanying notes are an integral part of these statements.

Hul'qumi'num Treaty Group
Schedule of Individual Program Revenue, Expenditure and Equity
Year Ended March 31, 2008

	Actual 2008 \$	Actual 2007 \$
Parks Canada Project		
Revenue		
Parks Canada	-	28,544
Expenditure		
Coordinator costs	-	10,188
Honoraria	-	11,837
Reports and newsletter	-	1,825
Travel and meetings	-	4,694
	-	28,544
Excess of revenue over expenditure and ending equity	-	-

The accompanying notes are an integral part of these statements.

Hul'qumi'num Treaty Group
Schedule of Individual Program Revenue, Expenditure and Equity
Year Ended March 31, 2008

	Actual 2008 \$	Actual 2007 \$
CURA program		
Revenue		
University of Victoria	<u>9,000</u>	<u>-</u>
Expenditure		
Honoraria	1,500	-
Meeting costs	<u>200</u>	<u>-</u>
	<u>1,700</u>	<u>-</u>
Excess of revenue over expenditure and ending equity	<u>7,300</u>	<u>-</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
Treaty Fund
Schedule of Financial Position
Year Ended March 31, 2008**

	2008 \$	2007 \$
ASSETS		
Cash	190,409	206,520
Due from own funds	<u>66,165</u>	<u>69,251</u>
	<u><u>256,574</u></u>	<u><u>275,771</u></u>
LIABILITIES		
Long-term debt (Note 5)	18,680,228	16,528,388
MEMBERS' DEFICIT		
Deficit (Note 6)	<u>(18,423,654)</u>	<u>(16,252,617)</u>
	<u><u>256,574</u></u>	<u><u>275,771</u></u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
Treaty Fund
Schedule of Revenue, Expenditure and Deficit
Year Ended March 31, 2008**

	Budget \$	Actual 2008 \$	Actual 2007 \$
Revenue			
BC Treaty Commission	537,960	537,960	672,960
Canada-loan advances	<u>2,151,840</u>	<u>2,151,840</u>	<u>2,571,840</u>
	<u>2,689,800</u>	<u>2,689,800</u>	<u>3,244,800</u>
Expenditure			
Allocation to Chemainus First Nation	71,508	71,049	15,778
Allocation to Cowichan Tribe	500,000	400,335	376,769
Allocation to Halalt First Nation	116,000	116,000	116,000
Allocation to Hwiltsum First Nation	-	-	61,605
Allocation to Lake Cowichan First Nation	73,320	73,320	73,320
Allocation to Penelakut Tribe	113,898	113,900	113,898
Communications	42,010	39,284	122,618
Community consultation	-	-	18,058
Elders	165,050	133,968	149,684
External communications	22,800	11,041	150,697
Meetings	75,400	46,967	41,607
Negotiation projects	59,591	58,684	82,557
Negotiations	52,500	61,641	291,969
Office administration	190,960	203,596	265,058
Personnel and benefits	<u>1,459,476</u>	<u>1,379,212</u>	<u>1,554,634</u>
	<u>2,942,513</u>	<u>2,708,997</u>	<u>3,434,252</u>
Shortfall of revenue over expenditure	<u>(252,713)</u>	<u>(19,197)</u>	<u>(189,452)</u>
Canada - loan payable		<u>(2,151,840)</u>	<u>(2,571,840)</u>
		<u>(2,171,037)</u>	<u>(2,761,292)</u>
Deficit - beginning of year		<u>(16,252,617)</u>	<u>(13,491,326)</u>
Deficit - end of year		<u>(18,423,654)</u>	<u>(16,252,617)</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
First Nation Negotiation Support Agreement
Schedule of Expenditure
Year Ended March 31, 2008**

	Budget \$	Actual 2008 \$	Actual 2007 \$
ALLOCATION TO CHEMAINUS FIRST NATION			
Administration	6,501	7,573	1,419
Meetings and workshops	3,600	2,378	-
Office and sundries	7,596	4,861	3,580
Office lease	3,600	3,600	-
Professional fees	1,500	2,215	-
Travel	4,800	5,513	734
Wages and benefits	43,911	44,909	10,045
	<u>71,508</u>	<u>71,049</u>	<u>15,778</u>
ALLOCATION TO COWICHAN TRIBES			
Advertising	-	-	934
Computer and office equipment	8,000	3,030	2,532
Community consultation	50,000	19,686	21,614
Treaty research and communications support	98,000	131,451	75,756
Honoraria	6,000	5,413	4,850
Legal fees	60,000	37,922	63,944
Meetings and travel	7,000	4,797	2,950
Office and administration	29,891	17,424	21,078
Rent	18,000	18,000	27,300
Wages and benefits	223,109	162,612	155,811
	<u>500,000</u>	<u>400,335</u>	<u>376,769</u>
ALLOCATION TO HALALT FIRST NATION			
Legal and consultants	4,873	4,913	1,543
Meeting and honoraria	4,000	1,352	3,849
Office space and administration	7,500	10,322	2,045
Treaty Coordinator	43,200	59,248	55,081
Treaty support personnel	56,427	40,165	50,695
Computer equipment purchase	-	-	2,787
	<u>116,000</u>	<u>116,000</u>	<u>116,000</u>
ALLOCATION TO HWILTSUM FIRST NATION			
Communication	-	-	162
Office and telephone	-	-	3,649
Professional fees	-	-	3,218
Rent	-	-	7,700
Salaries and benefits	-	-	40,402
Travel and meetings	-	-	6,474
	<u>-</u>	<u>-</u>	<u>61,605</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
First Nation Negotiation Support Agreement
Schedule of Expenditure
Year Ended March 31, 2008**

	Budget \$	Actual 2008 \$	Actual 2007 \$
ALLOCATION TO LAKE COWICHAN FIRST NATION			
Professional fees	2,060	(4,688)	-
Meetings	4,000	49	2,200
Office space and administration	3,000	3,148	2,776
Treaty coordinator	27,300	27,125	23,975
Treaty support personnel	<u>36,960</u>	<u>47,686</u>	<u>44,369</u>
	<u>73,320</u>	<u>73,320</u>	<u>73,320</u>
ALLOCATION TO PENELAKUT TRIBES			
Administration	3,600	3,600	3,600
Consultants and professional	-	17,317	-
Honoraria	14,919	14,906	8,495
Honoraria-Youth Council	19,200	3,200	-
Rent and utilities	6,800	6,800	6,444
Supplies	6,500	6,860	1,032
Telephone	4,500	3,375	-
Travel and meetings	10,000	9,466	2,702
Wages and benefits	48,379	48,375	90,850
Workshops	-	-	775
	<u>113,898</u>	<u>113,899</u>	<u>113,898</u>
COMMUNICATIONS			
Quarterly newsletter	10,750	11,124	23,075
Website	2,500	-	1,120
Collective traditional feasts	-	-	10,276
Family events	-	-	9,907
Government relations & coalition	28,760	23,160	19,902
Communication awareness	-	5,000	19,628
	<u>42,010</u>	<u>39,284</u>	<u>83,908</u>
COMMUNITY CONSULTATION			
Urban community	-	-	4,988
First Nation member communities	-	-	13,070
	<u>-</u>	<u>-</u>	<u>18,058</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
First Nation Negotiation Support Agreement
Schedule of Expenditure
Year Ended March 31, 2008**

	Budget \$	Actual 2008 \$	Actual 2007 \$
ELDERS			
Elders Advisory Board	46,000	24,055	35,755
Cowichan Elders Committee	32,000	28,345	28,691
Penelakut Elders Committee	30,000	31,104	26,241
Chemainus Elders Committee	42,000	37,434	44,273
Halalt Elders Committee	3,200	3,517	3,027
Lake Cowichan Elders Committee	7,750	6,740	4,070
Lyackson Elders committee	4,100	2,773	7,627
	<u>165,050</u>	<u>133,968</u>	<u>149,684</u>
EXTERNAL COMMUNICATIONS			
Billboard	22,800	-	22,800
Leadership Council	-	26	91,896
Media relations	-	11,015	36,000
Publications	-	-	38,710
	<u>22,800</u>	<u>11,041</u>	<u>189,406</u>
MEETINGS			
Non-voting Directors honoraria	9,600	4,400	3,500
Board of Directors	7,000	9,659	3,700
Annual General Assembly	6,500	4,647	5,509
Working group	12,300	13,826	27,498
Chief and staff retreat	10,000	8,109	1,400
Shared territories	30,000	6,326	-
	<u>75,400</u>	<u>46,967</u>	<u>41,607</u>
NEGOTIATION PROJECTS			
Research	10,000	10,023	26,741
Management consultants	-	-	7,345
New relationships project	25,000	25,000	-
Roundtable on internal governance	-	-	31,356
Land registry cost/benefit	-	-	17,115
Unity Table process support	24,591	23,661	-
	<u>59,591</u>	<u>58,684</u>	<u>82,557</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
First Nation Negotiation Support Agreement
Schedule of Expenditure
Year Ended March 31, 2008**

	Budget \$	Actual 2008 \$	Actual 2007 \$
NEGOTIATIONS			
Fisheries consultant	-	-	71,462
Forestry/wildlife consultant	-	-	14,374
Environment/water consultant	5,000	4,710	36,685
Natural resource management	-	-	25,000
Governance consultants	-	-	18,950
Legal research	-	6,077	-
Legal opinion	47,500	50,854	100,168
Fiscal relations	-	-	21,216
Land selection	-	-	4,114
	<u>52,500</u>	<u>61,641</u>	<u>291,969</u>
OFFICE ADMINISTRATION			
Rent	56,160	56,160	64,745
Computer equipment and maintenance	12,500	10,304	52,880
Supplies and services	56,200	67,241	56,348
Repairs and maintenance	4,789	11,718	8,451
Research books and photographs	3,000	1,690	3,364
Annual General Assembly report	-	-	525
Subscriptions	2,100	3,679	10,125
Equipment and furniture	7,100	3,734	9,697
Equipment and boat rental	9,911	8,402	6,158
Telephone and utilities	19,000	17,078	18,272
Advertising	5,000	4,819	13,856
Audit	8,000	11,705	11,500
Insurance and security	8,000	6,017	7,852
Internet	1,200	1,049	1,285
	<u>192,960</u>	<u>203,596</u>	<u>265,058</u>
PERSONNEL AND BENEFITS			
Wages	1,167,475	1,110,688	1,189,552
Benefits	146,194	147,514	110,376
Travel	85,792	72,542	96,908
Training and workshops	15,000	5,248	21,481
Elder and community coordinators	21,630	23,770	21,796
Contracted services	23,385	19,450	114,521
	<u>1,459,476</u>	<u>1,379,212</u>	<u>1,554,634</u>

The accompanying notes are an integral part of these statements.



McINTOSH | NORTON | WILLIAMS
certified general accountants

Cory McIntosh, CGA, CAFM, CFP *
Jay R. Norton, FCGA, CAFM *
Michael K. Williams, CGA *
Jason S. Moore, BA, CGA *

**practising as a professional corporation*

"It's not what you earn, it's what you keep!"

AUDITORS' REPORT ON COMPLIANCE WITH AN AGREEMENT

To the British Columbia Treaty Commissioners

We have audited Hul'qumi'num Treaty Group's compliance as at March 31, 2008 with the criteria established by provisions relating to financial obligations incurred by Hul'qumi'num Treaty Group during the year ended March 31, 2008 preparing for and carrying out treaty negotiations with Canada and British Columbia. These provisions are described in Sections 7.1, 7.2 and 8.1 of the First Nation Negotiation Support Agreement dated July 16, 2004 (with an amendment on January 18, 2005) with the British Columbia Treaty Commission and Canada. Compliance with the criteria established by the provisions of the Agreement is the responsibility of the Society's management. Our responsibility is to express an opinion on this compliance based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether Hul'qumi'num Treaty Group complied with the criteria established by the provisions of the agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with Sections 7.1, 7.2 and 8.1 of the Agreement, and where applicable, assessing the accounting principals used and the significant estimates made by management.

We confirm that expenditures were compared to the final budget approved by the Treaty Commission. Office administration exceeded budget because extra audit fees were paid out regarding the audits of other First Nations, printing of newsletters was done in house and additional costs were needed to make the building wheelchair accessible. Negotiation costs exceed budget because legal costs were greater than originally budgeted. All other budget lines were not exceeded.

In our opinion Hul'qumi'num Treaty Group is in compliance in all material respects with the criteria established by Sections 7.1, 7.2 and 8.1 of the Agreement.

The McIntosh Norton Williams

McINTOSH | NORTON | WILLIAMS
certified general accountants

Port Alberni, B.C.
June 26, 2008

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