

**HUL'QUMI'NUM TREATY GROUP
FINANCIAL STATEMENTS
MARCH 31, 2009**

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MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Hul'qum'num Treaty Group for the year ended March 31, 2009 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 McIntosh Norton Williams CGAs, in accordance with generally accepted auditing standards on behalf of the members. McIntosh Norton Williams CGAs has full and free access to the Society.



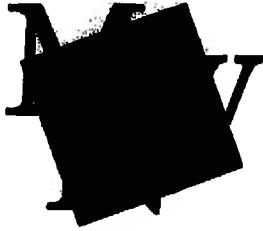
Director



Director



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, 2009 and the summary statements of financial activities and cash flows 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, 2009 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.

August 28, 2009

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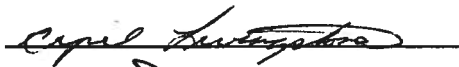

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**Hul'qumi'num Treaty Group
Summary Statement of Financial Position
As at March 31, 2009**

	2009 \$	2008 \$
ASSETS		
Current		
Cash	758,855	871,988
Accounts receivable	79,096	106,600
Goods and services tax recoverable	1,343	3,041
Prepaid expense	<u>2,705</u>	<u>904</u>
	841,999	982,533
Capital assets (Note 3)	<u>46,192</u>	<u>74,784</u>
	<u>888,191</u>	<u>1,057,317</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	30,004	157,282
Wages and benefits payable	<u>94,178</u>	<u>90,368</u>
	124,182	247,650
Canada - loan payable (Note 5)	20,641,668	18,680,228
Due to related entities (Note 4)	116,689	32,197
Deferred capital grant revenue	<u>4,462</u>	<u>5,577</u>
	20,887,001	18,965,652
MEMBERS' DEFICIT		
Deficit (Note 6)	<u>(19,998,810)</u>	<u>(17,908,336)</u>
	<u>888,191</u>	<u>1,057,317</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, 2009**

		Actual 2009 \$	Actual 2008 \$
Revenue			
Canada-loan payable	1,961,440	1,961,440	2,151,840
BC Treaty Commission contribution	515,360	515,360	537,960
Environment Canada	108,000	108,000	132,754
Grants, referrals and recoveries	-	37,709	65,429
Parks Canada	-	19,100	54,547
Interest	-	16,810	34,600
University of Victoria	-	-	9,000
Other revenue	-	13,946	-
	<u>-</u>	<u>-</u>	<u>30,000</u>
	<u>2,584,800</u>	<u>2,672,365</u>	<u>3,016,130</u>
Expenditure			
General and Other Projects Fund - page 8	115,300	203,386	237,914
Treaty Fund - page 14	<u>2,737,078</u>	<u>2,570,538</u>	<u>2,708,997</u>
	<u>2,852,378</u>	<u>2,773,924</u>	<u>2,946,911</u>
Excess of expenditure over revenue	<u>(267,578)</u>	(101,559)	69,219
Canada - loan payable		<u>(1,961,440)</u>	<u>(2,151,840)</u>
Excess of expenditure over revenue after loan payable		<u>(2,062,999)</u>	<u>(2,082,621)</u>
Deficit - beginning of year - as originally stated		(17,908,335)	(15,764,072)
Correction of prior period income		-	(27,790)
As restated		<u>(17,908,335)</u>	<u>(15,791,862)</u>
Changes in equity in capital assets		<u>(27,476)</u>	<u>(33,852)</u>
Deficit - end of year		<u>(19,998,810)</u>	<u>(17,908,335)</u>

The accompanying notes are an integral part of these statements.

**Hu'qumi'num Treaty Group
Summary Statement of Cash Flows
Year Ended March 31, 2009**

	2009
	\$
Cash provided by operations	
Excess of expenditure over revenue	<u>(2,062,999)</u>
Changes in non-cash working capital	
Accounts receivable	27,504
Goods and services tax recoverable	1,698
Prepaid expenses	(1,801)
Accounts payable and accrued liabilities	(127,277)
Wages and benefits payable	3,810
Increase in due to related parties	<u>84,492</u>
	(2,074,573)
Financing activities	
Proceeds from long-term debt	<u>1,961,440</u>
Change in cash	(113,133)
Cash, beginning	<u>871,988</u>
Cash, end of year	<u>758,855</u>

The accompanying notes are an integral part of these statements.

**Hul'qumi'num Treaty Group
Notes to Financial Statements
March 31, 2009**

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) Comparative Figures

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

c) 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.

d) 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, 2009**

3. Capital Assets

	2009			2008
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	197,262	174,943	22,319	40,381
Leasehold improvements	22,305	12,251	10,054	14,515
Capital assets - First nations	17,560	17,560	-	3,512
Computer equipment	<u>150,134</u>	<u>136,315</u>	<u>13,819</u>	<u>16,376</u>
	<u>387,261</u>	<u>341,069</u>	<u>46,192</u>	<u>74,784</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	45,883	(4,888)
Cowichan Tribes	26,246	30,335
Halait First Nation	15,080	2,900
Lake Cowichan First Nation	3,272	1,000
Lyackson First Nation	11,400	-
Penelakut Tribe	<u>14,808</u>	<u>2,850</u>
	<u>116,689</u>	<u>32,197</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, 2009, the Society received \$515,360 contribution funding with a further \$1,961,440 (total 2009 \$20,641,668; 2008 \$18,680,228) 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, 2009**

6. Members' Deficit

Members' equity (deficit) is comprised of:

	2009	2008
	\$	\$
	<u> </u>	<u> </u>
Operating	432,715	440,536
Capital	47,307	74,783
Treaty	<u>(20,478,832)</u>	<u>(18,423,654)</u>
Total Members' Deficit	<u>(19,998,810)</u>	<u>(17,908,335)</u>

7. 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, 2009**

	2009 \$	2008 \$
ASSETS		
Cash	598,733	681,580
Accounts receivable	79,096	106,600
Goods and services tax recoverable	1,343	3,041
Prepaid expenses	<u>2,705</u>	<u>904</u>
	<u>681,877</u>	<u>792,125</u>
LIABILITIES		
Accounts payable and accrued liabilities	30,005	157,282
Wages and benefits payable	94,178	90,368
Due to related entities (Note 4)	116,689	32,197
Due to own funds	<u>8,290</u>	<u>71,742</u>
	249,162	351,589
MEMBERS' EQUITY		
Unrestricted (Note 6)	<u>432,715</u>	<u>440,536</u>
	<u>681,877</u>	<u>792,125</u>

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, 2009**

Program	Page	Government Funding \$	Other Revenue \$	Total Revenue \$	Total Expenditures \$	Excess (Shortfall) \$	Opening Equity (Deficit) \$	Transfers \$	Ending Equity (Deficit) \$
General	9	-	68,465	68,465	58,589	9,876	433,236	-	443,112
Coast Salish Gathering	10	108,000	-	108,000	108,000	-	-	-	-
Parks Canada Project	11	-	19,100	19,100	29,497	(10,397)	-	-	(10,397)
CURA program	12	-	-	-	7,300	(7,300)	7,300	-	-
		<u>108,000</u>	<u>87,565</u>	<u>195,565</u>	<u>203,386</u>	<u>(7,821)</u>	<u>440,536</u>	<u>-</u>	<u>432,715</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, 2009**

	Actual 2009 \$	Actual 2008 \$
General		
Revenue		
Grants, referrals and recoveries	37,709	65,429
Interest income	16,810	34,600
Other income	13,946	-
	<u>68,465</u>	<u>100,029</u>
Expenditure		
Bad debts	2,228	7,545
Communications	-	5,923
Computer repairs & maintenance	-	3,419
Consultants	3,653	4,209
Legal	33,596	-
Meeting costs	19,112	18,074
Office	-	1,076
Training	-	1,500
Travel	-	967
Wages and benefits	-	30,747
	<u>58,589</u>	<u>73,460</u>
Excess of revenue over expenditure	<u>9,876</u>	<u>26,569</u>
Equity - beginning of year - as originally stated	433,236	379,910
Correction of prior period income	-	(27,790)
As restated	<u>433,236</u>	<u>352,120</u>
Equity - end of year	<u>443,112</u>	<u>378,689</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, 2009**

		Actual 2009 \$	Actual 2008 \$
Coast Salish Gathering			
Revenue			
Ministry of Environment	108,000	108,000	132,754
Inkind income	-	-	30,000
	<u>108,000</u>	<u>108,000</u>	<u>162,754</u>
Expenditure			
Administration	3,846	3,846	10,540
Contracts	-	-	8,493
Contribution to capital asset fund	-	-	5,577
Honoraria	-	50	15,267
Inkind costs	-	-	30,000
Meetings and facilities costs	33,335	67,466	24,446
Office supplies	8,835	-	11,817
Travel	52,000	18,487	31,796
Wages and benefits	9,984	18,151	24,818
	<u>108,000</u>	<u>108,000</u>	<u>162,754</u>
Excess of revenue over expenditure and ending equity	<u>-</u>	<u>-</u>	<u>-</u>

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, 2009**

	Actual 2009 \$	Actual 2008 \$
Parks Canada Project		
Revenue		
Parks Canada	<u>19,100</u>	<u>54,547</u>
Expenditure		
Working group support costs	988	-
Honoraria	<u>28,509</u>	<u>-</u>
	<u>29,497</u>	<u>-</u>
Excess (shortfall) of revenue over expenditure and ending equity(deficit)	<u>(10,397)</u>	<u>54,547</u>

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, 2009

	Actual 2009 \$	Actual 2008 \$
CURA program		
Revenue		
University of Victoria	-	9,000
Expenditure		
Honoraria	625	1,500
Meeting costs	6,675	200
	<u>7,300</u>	<u>1,700</u>
Excess (shortfall) of revenue over expenditure	(7,300)	7,300
Equity - beginning of year	<u>7,300</u>	-
Equity - end of year	<u>-</u>	<u>7,300</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, 2009**

	2009 \$	2008 \$
ASSETS		
Cash	160,122	190,409
Due from own funds	<u>2,714</u>	<u>66,165</u>
	<u>162,836</u>	<u>256,574</u>
LIABILITIES		
Long-term debt (Note 5)	20,641,668	18,680,228
MEMBERS' DEFICIT		
Deficit (Note 6)	<u>(20,478,832)</u>	<u>(18,423,654)</u>
	<u>162,836</u>	<u>256,574</u>

The accompanying notes are an integral part of these statements.

**Hul'qum'num Treaty Group
Treaty Fund
Schedule of Revenue, Expenditure and Deficit
Year Ended March 31, 2009**

	Budget \$	Actual 2009 \$	Actual 2008 \$
Revenue			
BC Treaty Commission	515,360	515,360	537,960
Canada-loan advances	<u>1,961,440</u>	<u>1,961,440</u>	<u>2,151,840</u>
	<u>2,476,800</u>	<u>2,476,800</u>	<u>2,689,800</u>
Expenditure			
Allocation to Chemainus First Nation	65,072	65,072	71,049
Allocation to Cowichan Tribe	480,000	440,410	400,335
Allocation to Halalt First Nation	105,580	105,580	116,000
Allocation to Lake Cowichan First Nation	66,721	66,721	73,320
Allocation to Lyackson First Nation	57,000	57,000	-
Allocation to Penelakut Tribe	103,647	103,647	113,900
Communications	47,500	17,893	39,310
Elders	165,050	130,754	133,968
External communications	14,098	-	11,015
Meetings	46,000	76,044	46,967
Negotiation projects	65,500	17,897	58,684
Negotiations	20,150	26,081	61,641
Office administration	177,904	204,074	203,596
Personnel and benefits	<u>1,322,876</u>	<u>1,259,585</u>	<u>1,379,212</u>
	<u>2,737,078</u>	<u>2,570,538</u>	<u>2,708,997</u>
Excess of expenditure over revenue	<u>(260,278)</u>	(93,738)	(19,197)
Canada - loan payable		<u>(1,961,440)</u>	<u>(2,151,840)</u>
Excess of expenditure over revenue financed by long-term debt		(2,055,178)	(2,171,037)
Deficit - beginning of year		<u>(18,423,654)</u>	<u>(16,252,617)</u>
Deficit financed by long-term debt - end of year		<u>(20,478,832)</u>	<u>(18,423,654)</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, 2009**

	Budget \$	Actual 2009 \$	Actual 2008 \$
ALLOCATION TO CHEMAINUS FIRST NATION			
Administration	3,600	5,724	7,573
Meetings and workshops	3,566	3,390	2,378
Office and sundries	3,500	3,486	4,861
Office lease	-	-	3,600
Professional fees	1,500	2,000	2,215
Travel	6,000	6,571	5,513
Wages and benefits	<u>46,906</u>	<u>43,901</u>	<u>44,909</u>
	<u>65,072</u>	<u>65,072</u>	<u>71,049</u>
ALLOCATION TO COWICHAN TRIBES			
Computer and office equipment	3,800	1,110	3,030
Community consultation	99,095	55,567	19,686
Treaty research and communications support	90,000	134,504	131,451
Honoraria	10,500	7,934	5,413
Legal fees	15,000	15,283	37,922
Meetings and travel	6,700	5,216	4,797
Office and administration	24,505	20,361	17,424
Rent	18,000	18,000	18,000
TFN specific	25,000	25,000	-
Wages and benefits	<u>187,400</u>	<u>157,435</u>	<u>162,612</u>
	<u>480,000</u>	<u>440,410</u>	<u>400,335</u>
ALLOCATION TO HALALT FIRST NATION			
Legal and consultants	-	-	4,913
Meeting and honoraria	3,640	3,144	1,352
Office space and administration	6,600	6,600	10,322
Treaty Coordinator, consultant, legal fees & expenses	44,992	48,976	59,248
Treaty support personnel wages & expenses	<u>50,328</u>	<u>46,840</u>	<u>40,165</u>
	<u>105,560</u>	<u>105,560</u>	<u>116,000</u>
ALLOCATION TO LAKE COWICHAN FIRST NATION			
Professional fees	-	-	(4,688)
Meeting and honoraria	1,700	64	49
Administration and office	2,400	2,189	3,148
Coordinator, consultant and legal	26,400	24,850	27,125
Salaries and benefits	<u>36,221</u>	<u>39,618</u>	<u>47,686</u>
	<u>66,721</u>	<u>66,721</u>	<u>73,320</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, 2009**

	Budget \$	Actual 2009 \$	Actual 2008 \$
ALLOCATION TO LYACKSON FIRST NATION			
Administration	5,700	5,700	-
Communications	2,000	-	-
Consulting/contract labour	33,500	51,088	-
Honoraria	2,800	-	-
Materials and supplies	1,500	-	-
Meeting costs	5,000	-	-
Office supplies	3,000	212	-
Travel	3,500	-	-
	<u>57,000</u>	<u>57,000</u>	<u>-</u>
ALLOCATION TO PENELAKUT TRIBES			
Administration	4,600	4,600	3,601
Consultants and professional	18,529	10,194	17,317
Honoraria-elders	14,000	13,925	14,906
Honoraria-Youth Council	-	-	3,200
Rent and utilities	3,400	3,400	8,800
Supplies and other	2,500	2,500	6,860
Telephone and fax	2,155	2,155	3,375
Training	-	270	-
Travel and meetings	9,117	5,285	9,488
Wages and benefits	49,346	61,318	48,375
	<u>103,647</u>	<u>103,647</u>	<u>113,900</u>
COMMUNICATIONS			
Quarterly newsletter	5,000	5,045	11,124
Government relations & coalition	22,000	1,682	23,160
Communication awareness & consultation	20,500	11,266	5,000
	<u>47,500</u>	<u>17,893</u>	<u>39,284</u>
ELDERS			
Elders Advisory Board	46,000	36,808	24,055
Cowichan Elders Committee	32,000	23,822	28,345
Penelakut Elders Committee	30,000	23,896	31,104
Chemainus Elders Committee	42,000	31,625	37,434
Halalt Elders Committee	3,200	3,622	3,517
Lake Cowichan Elders Committee	4,100	3,449	6,740
Lyackson Elders committee	7,750	7,532	2,773
	<u>165,050</u>	<u>130,754</u>	<u>133,968</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, 2009**

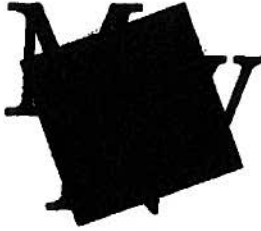
	Budget \$	Actual 2009 \$	Actual 2008 \$
EXTERNAL COMMUNICATIONS			
Leadership Council	-	-	26
Media relations	<u>14,098</u>	<u>-</u>	<u>11,015</u>
	<u>14,098</u>	<u>-</u>	<u>11,041</u>
MEETINGS			
Non-voting Directors honoraria	3,200	4,118	4,400
Board of Directors honoraria and travel	25,000	51,858	9,659
Annual General Assembly	5,000	5,386	4,647
Meeting costs	7,800	-	-
Working group	-	9,873	13,826
Chief and staff retreat	5,000	4,809	8,109
Shared territories	-	-	6,326
	<u>46,000</u>	<u>76,044</u>	<u>46,967</u>
NEGOTIATION PROJECTS			
Research	20,000	17,344	10,023
Governance consultation	-	146	-
New relationships project	15,500	-	25,000
Unity Table process support	<u>30,000</u>	<u>207</u>	<u>23,661</u>
	<u>65,500</u>	<u>17,697</u>	<u>58,684</u>
NEGOTIATIONS			
Environment/water consultant	-	1,039	4,710
Legal research	20,150	25,042	6,077
Legal opinion	-	-	50,854
	<u>20,150</u>	<u>26,081</u>	<u>61,641</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, 2009**

	Budget	Actual	Actual
	\$	2009	2008
	\$	\$	\$
OFFICE ADMINISTRATION			
Rent	56,160	55,489	56,160
Computer equipment and maintenance	5,051	26,413	10,304
Supplies and services	65,500	71,431	67,241
Repairs and maintenance	1,000	1,084	11,718
Research books and photographs	-	283	1,690
Subscriptions	2,100	5,620	3,679
Equipment and furniture	-	1,200	3,734
Equipment and boat rental	9,911	6,965	8,402
Telephone and utilities	15,482	17,581	17,078
Advertising	7,500	2,929	4,819
Audit	8,000	8,800	11,705
Insurance and security	6,000	4,969	6,017
Internet	1,200	1,310	1,049
	<u>177,904</u>	<u>204,074</u>	<u>203,596</u>
PERSONNEL AND BENEFITS			
Wages	1,050,700	969,151	1,110,688
Benefits	153,226	168,384	147,514
Travel	111,150	91,657	72,542
Training and workshops	-	-	5,248
Elder and community coordinators	-	14,074	23,770
Contracted services	7,800	16,319	19,450
	<u>1,322,876</u>	<u>1,259,585</u>	<u>1,379,212</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 *

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"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, 2009 with the criteria established by provisions relating to financial obligations incurred by Hul'qumi'num Treaty Group during the year ended March 31, 2009 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 June 2, 2008 (with an amendment on November 20, 2008) 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 of replacement and upgrade of the centralized computer system, auxiliary and security equipment along with additional office supplies due to increased information sharing with member nations. Negotiation costs exceeded budget because legal costs were greater than originally budgeted. Meeting costs were over budget due to increased activity by the Board of Directors. 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.

McINTOSH | NORTON | WILLIAMS
certified general accountants

Port Alberni, B.C.
August 28, 2009

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