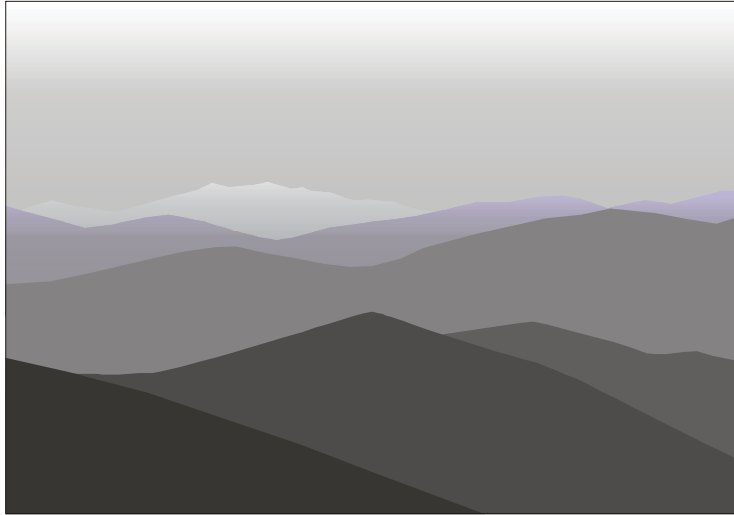


The Coast Sustainability Trust II



**December 31, 2012
Annual Report**

**Trustee
Eric van Soeren**

The Coast Sustainability Trust II

Report of the Trustee

The Coast Sustainability Trust (CST) was established in late March, 2002. Its purpose was to mitigate any adverse impacts arising from government land use planning decisions related to the Land and Resource Management Plan (LRMP) process in the Central Coast, North Coast, and Queen Charlotte Islands/Haida Gwaii (the Specified Area), and to help the coastal forest industry, coastal communities and First Nations become more sustainable.

On March 31, 2007 the CST was terminated by operation of the Trust Deed that created it. At that time the Advisory Board decided to roll the CST into the Coast Sustainability Trust II (CST II). CST II assumed all the assets and liabilities of the CST, retained the governance structure of the CST, and kept the Community Matching Fund Guidelines. The main differences are that the Regional Steering Committees now have the ability to increase the CST II commitment to any one project to as much as \$250,000 instead of the previous \$100,000 maximum and, in order to help small communities, the CST II may contribute up to 75% of the first \$50,000 in a project's cost, instead of the previous 50/50 minimum requirement, for all community matching fund projects.

As of December 31, 2012, the CST II consists of four funds, with the following approximate balances:

1. A **Community Matching Fund** for civic communities and First Nations that have been negatively affected by provincial government land use decisions related to the LRMP process. As of year-end, the Community Matching Fund account contained approximately \$3.65 million;
2. An **Ecosystem Based Management Adaptive Management Fund**, whose primary purpose is to fund successful implementation and management of an Adaptive Management program that supports the goals of EBM. As of year-end the Ecosystem Based Management Adaptive Management Fund account contained approximately \$667,000;
3. An **Ecosystem Based Management Matching Fund**, for communities, First Nations, workers and contractors that may be negatively affected by the implementation of Ecosystem Based Management. As of year-end, the EBM Matching Fund account contained approximately \$1.23 million; and
4. A **Landscape Reserve Planning Fund**, whose primary purpose is to fund the development and implementation of Landscape Reserve Planning by local First Nations that supports the goals of EBM within the Plan Area. As of year-end the Landscape Reserve Planning Fund sub trust contained approximately \$18,000.

Trust Administration

A Trustee and a five-person Advisory Board administer the CST II. The Advisory Board consists of one representative for the coastal forest industry, one for the Truck Loggers Association, one for the Steelworkers, one for the provincial government and one for communities.

Community Matching Fund (CMF):

The immediate objective of the Community Matching Fund is to provide funding to projects in civic and First Nations communities impacted by the LRMP process. Funding can be directed to First Nations and civic communities in the Regional Districts of Skeena-Queen Charlotte, Central Coast, Comox Valley, Strathcona and Mount Waddington, and the portions of the Kitimat-Stikine Regional District that are included in the North Coast LRMP planning area. Funds address local adjustment priorities, needs, opportunities and solutions. Projects must have community and preferably regional support and should result in:

- Regional and community strategic planning;
- Strategic investments with expected long term economic benefits; and
- Reduction of reliance on conventional forestry based activities to alternative and sustainable economic activities.

The following guiding principles are to be applied to projects being submitted to the CMF for consideration:

- Helps in developing a regional and community economic development strategy, if no current plan exists.
- Helps diversify the local economy, without adversely affecting the economies of neighboring communities.
- Has tangible long-term direct economic benefits, including employment creation or enhancement.
- Promotes sustainable development within the region.
- Demonstrates broad based community support.
- Is consistent with the community's Community Economic Development Strategy.
- Leverages a minimum of an equal amount of unencumbered private or public sector dollars, except for smaller projects, which may be supported by as much as three quarters of the first \$50,000 by the CST when no other matching funds are available.
- Does not request funding for activities that can be covered by other existing programs.
- Is environmentally sound and does not cause unsustainable pressure on natural resources.

Types of Matching Fund Assistance

- Funding assistance for communities is available for a variety of activities, including regional planning, infrastructure development and marketing.
- Assistance is in the form of grants made directly to civic communities, First Nations or entities such as not for profit societies or associations that are formally supported by civic communities or First Nations.
- No funding will be provided to privately owned for profit operations.

Following are the objectives of the Ecosystem Based Management Adaptive Management Fund (EBM-AM):

- To invest in the Central Coast, North Coast and the Queen Charlotte Islands / Haida Gwaii plan areas (EBM-AM Plan Area).
- To fund the successful implementation and management of an Adaptive Management program that supports the goals of Ecosystem Based Management within the EBM-AM Plan Area.
- To fund projects in an Annual Work Plan approved by the Coastal First Nation and the Nanwakolas EBM Forums and the Provincial Government EBM representative.
- To invest in and support EBM-AM, and other specific uses as directed by the Donor.

Following are the objectives of the Ecosystem Based Management Matching Fund (EBM-MF):

- Originally, the same as for the Community Matching Fund, but in addition, workers and contractors that may be affected by provincial government land use decisions related to EBM are also potentially eligible for mitigation payments.
- During 2011 the CST Advisory Board decided to utilize the EBM-MF as follows:
 - \$1,000,000 was set aside for forest worker training.
 - \$2,000,000 was allocated to the CMF, and then allocated equally to the five Regional Steering Committees.
 - The balance will be used to provide matching funds received during the year from the BC Forestry Revitalization Trust II to provide mitigation to workers and contractors in Haida Gwaii that were negatively impacted by the implementation of EBM.

Following are the objectives of the Landscape Reserve Planning (LRP) sub trust:

- To invest in the Central Coast and North Coast plan areas (LRP Plan Area).
- To fund the successful development and implementation of landscape reserve planning that supports the goals of EBM within the Plan Area.
- To provide regional capacity for First Nations in the LRP Plan Area to develop landscape reserve plans that provide for concurrent progress on ecological integrity and human well being objectives.

The initial allocation of the existing funds was as follows:

- The EBM Matching Fund started with \$5.00 million.
- The Community Matching Funds received the balance of the undistributed funds in the CST Matching Fund as of March 31, 2007. This amounted to \$13.06 million.
- The Ecosystem Based Management Adaptive Management Fund received \$580,000 from the Ministry of Agriculture and Land plus the balance of the undistributed funds in the Ecosystem Based Management Working Group Fund as of March 31, 2009. This amounted to an additional \$81,000.
- The Landscape Reserve Planning Fund received \$750,000 from the Ministry of Agriculture and Land.
- All four funds are subject to a maximum of 3% of the capital plus all interest earned to cover administration costs. To date administration costs have remained low enough that all the capital plus a substantial amount of the interest has been retained for the benefit of the intended beneficiaries of the CST and the CST II.

Fund Term

- The CST II will be wound up when all funds have been disbursed, or when the remaining funds are insufficient to justify continued operation of the CST II. If that happens, the Trustee will transfer the remaining balance to one or more entities that have a mandate similar to that of the CST II, on condition that the transferred CST II funds will be used in a way that is consistent with the purpose of the CST II.

Distributions to Beneficiaries

Community Matching Fund

The Advisory Board of the CST approved the creation of 5 Regional Steering Committees (RSCs), based on a combination of Regional District and LRMP area boundaries. These RSCs were established to determine how Community Matching Funds would be allocated. Representation on the RSCs consists of 50% First Nations nominees, and 50% non-First Nations community nominees. The RSCs review proposals received directly from communities or First Nations in their area, or from entities supported by those communities or First Nations.

Five RSCs represent the Comox Valley, Strathcona, Mount Waddington, and Central Coast regional districts, and the North Coast and Haida Gwaii. Following is an indication of activity with the RSCs to date:

**Status of Community Matching Fund funding requests
As at December 31, 2012**

Regional Steering Committee	Total Project Size	Amount Requested of CST	Amount Rejected by CST or Abandoned by Applicant	Amount still under Consideration by CST	Number of Approved Projects	Amount Approved by CST	Amount Disbursed by CST
Central Coast	\$23,092,471	\$6,341,492	\$3,029,632	\$322,595	58	\$2,989,265	\$2,989,265
Comox Strathcona	\$58,731,292	\$14,149,419	\$9,899,585	\$0	47	\$4,099,833	\$3,946,833
Mount Waddington	\$113,249,880	\$10,502,162	\$6,402,163	\$0	55	\$4,100,000	\$3,487,354
North Coast	\$68,846,148	\$9,412,498	\$5,266,726	\$350,000	36	\$3,795,773	\$3,080,619
QCI Haida Gwaii	\$52,224,666	\$7,518,026	\$3,192,086	\$225,940	51	\$4,100,000	\$3,451,618
Total:	\$316,144,457	\$47,923,596	\$27,790,191	\$898,535	247	\$19,084,871	\$16,955,689

Some of the approved Matching Fund amounts led to multi-year funding agreements. Recipients must produce progress reports to demonstrate that they are essentially on track with their proposal, and are achieving the projected results, before they are able to get subsequent installments. All projects are approved subject to the applicant receiving a minimum at least one dollar for each three CST II dollars for the first \$50,000 of a project, and dollar for dollar matching funds from a source other than the provincial government for any project funding after that amount. In some cases applicants may not be able to source the matching funds, in which case their approval will be rescinded, and the funds made available for other applicants. As of December 31, 2012, 32 projects that had been approved by the CST were subsequently abandoned without any funds being disbursed.

Types of Projects Approved for Community Matching Fund Assistance

In order to stimulate economic activity, each RSC considers and approves projects that fit into the strategic priorities of their area or, if no formal strategic priorities have been developed, projects that clearly fall into the range of initiatives that likely will be included. The types of projects vary to some extent by the chosen strategic direction of each RSC. Following is a table that shows the type of projects approved for CST funding support:

Types of projects approved for CST Funding

Regional Steering Committee	Total Project Size	Amount Approved by CST	Nature of Approved Project					
			Agriculture & NTFPs	Aquaculture & Processing	Forestry	Infra-structure	Planning	Tourism
Central Coast	\$14,260,826	\$2,989,265	\$30,834	\$597,090	\$130,854	\$951,276	\$525,366	\$753,845
Comox Strathcona	\$32,972,754	\$4,099,833	\$12,500	\$1,137,000	\$0	\$824,000	\$190,500	\$1,935,833
Mount Waddington	\$41,479,016	\$4,100,000	\$91,400	\$292,111	\$15,000	\$1,661,768	\$39,500	\$2,000,220
North Coast	\$37,948,079	\$3,795,773	\$0	\$630,120	\$50,000	\$1,117,856	\$24,750	\$1,973,047
QCI Haida Gwaii	\$45,929,325	\$4,100,000	\$200,549	\$274,060	\$162,398	\$1,806,016	\$165,232	\$1,491,745
Total:	\$172,590,000	\$19,084,871	\$335,283	\$2,930,381	\$358,252	\$6,360,916	\$945,348	\$8,154,691
Percent of Approved Amounts			1.8%	15.4%	1.9%	33.3%	5.0%	42.7%

Employment Impact of CST II Funding

Following is a table which displays the employment impact of CST II funding. The numbers are based on a combination of information submitted in the original applications, quarterly reporting as the project proceeded, and results of a survey taken of recipients of CST II funding after the projects were completed. Numbers shown are actual employment or contract positions and have not been reduced to full time equivalents. Spin off jobs were not included as, especially in the case of tourism, the provision of high speed internet and long range planning, they are very difficult to estimate.

Regional Steering Committee	Full time Jobs while Project Active	Part time Jobs while Project Active	Full time Jobs when Project Completed	Part time Jobs when Project Completed
Central Coast	26	133	246	263
Comox Strathcona	84	249	202	209
Mount Waddington	86	270	180	222
North Coast	158	141	88	44
QCI Haida Gwaii	204	229	103	112
Total:	558	1,022	819	850

Landscape Reserve Planning (LRP) sub trust

The CST II disbursed a total of \$735,000 to two First Nation organizations, the Nanwakolas Council, and the Coast First Nations, during 2009. No funds were disbursed during 2010 to 2012, so the balance of the original \$750,000 contribution to the CST II, plus earned interest, for a total of approximately \$18,000, remains in the LRP sub trust account.

Ecosystem Based Management Matching Fund Account

The purpose of the EBM Matching fund is to help mitigate the negative impacts of the implementation of Ecosystem Based Management on forest workers, contractors and both civic and First Nations Communities in the CST II operating area.

In a May 18, 2010 meeting the Advisory Board of the BC Forestry Revitalization Trust II (BCFRT II) agreed to consider the possibility of providing matching funds to the CST II EBM Matching Fund to allow workers and replaceable contractors on Haida Gwaii to receive mitigation for the negative impacts of EBM on them. A letter was sent out to the three major licensees on Haida Gwaii asking them to submit proposals for worker and contractor mitigation.

In a February 23, 2011 meeting of the BCFRT II Advisory Board it was agreed that the BCFRT II would provide the requested matching funds. The expected cost of that mitigation was \$5.2 million, with half coming from the CST II, and half from the BCFRT II. That number was revised to \$5,535,428. To date all 10 replaceable contractors and all 35 of the employees that were identified as having been negatively impacted by the implementation of EBM on Haida Gwaii have received mitigation, with total mitigation paid out to date of \$5,120,679. The BCFRT II has advanced \$2,767,714 in matching funds to support the payments made to date and the estimate of the still outstanding payments.

In a March 9, 2011 CST II Advisory Board meeting it was agreed that up to \$200,000 per RSC could be used to match with industry, First Nations and/or civic communities to provide training for people that want to enter the harvesting side of the forest industry. To date \$341,171 related to training has been committed to training projects, and \$206,743 has been disbursed. The Trustee has had discussions with several other contractors, First Nations and licenses that plan to develop training programs specific to the needs of their operations, and the employees they have or intend to hire.

Eco-system Based Management Adaptive Management (EBM-AM)

The EBM-AM sub trust has entered into several contracts, but to date only one invoice has been received and processed for work performed.

Conclusion:

During 2012 the Regional Steering Committees (RSCs) for the Community Matching Fund were active. Three of the five RSCs have now allocated all of their available funds to specific projects, and they are being funded as appropriate. The Trustee continues to distribute funds to the intended beneficiaries of the active accounts, according to the Distribution Objectives of the Declaration of Trust that established the CST II, and the Guidelines of the donor directed sub-trusts.

The Trustee, Advisory Board and Regional Steering Committees continue to be ready to respond quickly to proposals to mitigate negative impacts related to the LRMP process and the implementation of Ecosystem Based Management, and to assist in funding the planning and execution of new sustainable economic initiatives.

THE COAST SUSTAINABILITY TRUST II
FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012

THE COAST SUSTAINABILITY TRUST II
INDEX TO FINANCIAL STATEMENTS

Independent Auditor's Report	Exhibit A
Statement of Financial Position	Exhibit B
Statement of Changes in Net Assets	Exhibit C
Statement of Operations	Exhibit D
Statement of Cash Flows	Exhibit E
Notes to Financial Statements	Exhibit F
Schedule of Marketable Securities	Schedule 1
Schedule of Investments	Schedule 2
Schedule of Cash	Schedule 3

Exhibit A

To the Trustee
The Coast Sustainability Trust II

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of The Coast Sustainability Trust II, which comprise the statement of financial position as at December 31, 2012, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustee's Responsibility for the Financial Statements

The Trustee is responsible for the preparation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee, as well as evaluating the presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Exhibit A

INDEPENDENT AUDITOR'S REPORT

Opinion

In my opinion, the financial statements of The Coast Sustainability Trust II for the year ended December 31, 2012, present fairly, in all material respects, the financial position of The Coast Sustainability Trust II as at December 31, 2012 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.




CHARTERED ACCOUNTANT

Vancouver, B.C.
February 25, 2013

THE COAST SUSTAINABILITY TRUST II
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

<u>ASSETS</u>	December 31, 2012	December 31, <u>2011</u>	January 1, <u>2011</u>
CURRENT ASSETS			
Cash - Schedule 3 and note 5	\$ 23,260	\$ 19,209	\$ 34,746
Marketable securities - Schedule 1	5,033,309	6,215,251	6,784,665
Interest receivable	<u>77,326</u>	<u>166,724</u>	<u>162,958</u>
	5,133,895	6,401,184	6,982,369
INVESTMENTS - Schedule 2	<u>444,999</u>	<u>1,263,999</u>	<u>4,455,027</u>
TOTAL ASSETS	<u>\$ 5,578,894</u>	<u>\$ 7,665,183</u>	<u>\$ 11,437,396</u>
<u>LIABILITIES</u>			
CURRENT LIABILITY			
Accounts payable and accrued liabilities	<u>\$ 18,306</u>	<u>\$ 25,797</u>	<u>\$ 27,582</u>
TOTAL LIABILITIES	<u>18,306</u>	<u>25,797</u>	<u>27,582</u>
<u>NET ASSETS</u>			
FUND BALANCES			
EBM Matching fund - Exhibit C	1,230,392	1,514,696	5,618,431
EBM-AM fund - Exhibit C	666,136	683,266	673,984
Landscape Reserve fund - Exhibit C	17,326	17,899	18,235
Communities Matching fund - Exhibit C and note 6	<u>3,646,734</u>	<u>5,423,525</u>	<u>5,099,164</u>
TOTAL NET ASSETS	<u>5,560,588</u>	<u>7,639,386</u>	<u>11,409,814</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,578,894</u>	<u>\$ 7,665,183</u>	<u>\$ 11,437,396</u>

APPROVED BY THE TRUSTEE

 Trustee

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 <u>Total</u>	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
NET ASSETS, beginning of year	\$ 17,899	\$ 683,266	\$ 1,514,696	\$ 5,423,525	\$ 7,639,386	\$ 11,409,814	\$ 13,323,577
Excess of receipts over disbursements	<u>(573)</u>	<u>(17,130)</u>	<u>(284,304)</u>	<u>(1,776,791)</u>	<u>(2,078,798)</u>	<u>(3,770,428)</u>	<u>(1,913,763)</u>
NET ASSETS, end of year	<u>\$ 17,326</u>	<u>\$ 666,136</u>	<u>\$ 1,230,392</u>	<u>\$ 3,646,734</u>	<u>\$ 5,560,588</u>	<u>\$ 7,639,386</u>	<u>\$ 11,409,814</u>

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 <u>Total</u>	December 31, 2011 <u>Total</u>
RECEIPTS						
Transfer from The BC FRT II	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,767,713
Interest receipts	<u>272</u>	<u>10,440</u>	<u>21,214</u>	<u>88,112</u>	<u>120,038</u>	<u>175,368</u>
	<u>272</u>	<u>10,440</u>	<u>21,214</u>	<u>88,112</u>	<u>120,038</u>	<u>2,943,081</u>
DISBURSEMENTS						
Audit fees	200	1,000	2,000	7,090	10,290	11,216
Bank charges and interest	200	200	261	710	1,371	1,385
Disbursements to beneficiaries	-	20,772	293,193	1,737,510	2,051,475	6,493,674
GST/HST expense	69	707	1,293	13,437	15,506	23,037
Legal fees	-	-	146	-	146	126
Office	-	-	-	431	431	474
Project analysis	-	-	-	17,466	17,466	32,400
Travel and entertainment	-	-	8,625	3,812	12,437	5,597
Trustee fees	<u>376</u>	<u>4,891</u>	<u>-</u>	<u>84,447</u>	<u>89,714</u>	<u>145,600</u>
	<u>845</u>	<u>27,570</u>	<u>305,518</u>	<u>1,864,903</u>	<u>2,198,836</u>	<u>6,713,509</u>
EXCESS OF RECEIPTS OVER DISBURSEMENTS	<u>\$ (573)</u>	<u>\$ (17,130)</u>	<u>\$ (284,304)</u>	<u>\$ (1,776,791)</u>	<u>\$ (2,078,798)</u>	<u>\$ (3,770,428)</u>

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	December 31, <u>2012</u>	December 31, <u>2011</u>
OPERATING ACTIVITIES		
Excess of receipts over disbursements	\$ (2,078,798)	\$ (3,770,428)
Changes in non-cash working capital balances		
Accounts receivable	89,401	(3,766)
Accounts payable and accrued liabilities	<u>(7,488)</u>	<u>(1,785)</u>
Cash from operations	(1,996,885)	(3,775,979)
INVESTING ACTIVITIES		
Investments	<u>2,000,936</u>	<u>3,760,443</u>
CHANGE IN CASH DURING THE YEAR	4,051	(15,536)
CASH, beginning of year	<u>19,209</u>	<u>34,745</u>
CASH, end of year	<u><u>\$ 23,260</u></u>	<u><u>\$ 19,209</u></u>
REPRESENTED BY:		
Cash	<u><u>\$ 23,260</u></u>	<u><u>\$ 19,209</u></u>

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. PURPOSE OF THE TRUST

The Coast Sustainability Trust II (the "Trust") was established by Declaration of Trust dated March 27, 2007.

On April 30, 2007, all assets and liabilities, contingent and otherwise, of the predecessor trust, The Coast Sustainability Trust (the "Predecessor Trust") were transferred to the Trust.

Pursuant to Order in Council No. 258, approved and ordered on March 28, 2002, Forest Renewal B.C. made a payment of \$35,000,000 to the Predecessor Trust. The funds were to be used to:

- a) implement short term mitigation measures for workers, contractors, communities and First Nations on whom the Land and Resource Management Plans ("LRMP") in the Central Coast, North Coast and the Queen Charlotte Islands - Haida Gwaii had negative impacts; and
- b) to mitigate the longer term impacts of implementing these plans.

During prior years, the Predecessor Trust made all required short-term mitigation payments to workers and contractors.

During prior years, the Predecessor Trust received \$254,000 in donor-directed funds to be used for Ecosystem Based Management related Land Use Planning ("EBM-LUP Subtrust") in the Predecessor Trust geographical areas and \$145,000 in donor-directed funds to be used for Economic, Scientific and Adaptive Management Development and Planning ("ESAMDAP Subtrust"). These funds were to be distributed pursuant to specific donor instructions. The Trustee administered the distribution of the funds and prepared the related funding agreements. In accordance with the terms of the EBM-LUP Subtrust and the ESAMDAP Subtrust, these funds were not to be co-mingled with other funds of the Predecessor Trust.

The Trust Deed that created the Predecessor Trust stipulated that it was to terminate on March 31, 2007, and allowed the Trustee two years from that date to determine the disposition of any remaining funds. In anticipation of the termination of the Predecessor Trust, all the Advisory Board and Regional Steering Committee members as well as all First Nations, organized communities and Regional Districts that were potential beneficiaries of the Predecessor Trust, were asked to comment on the disposition of remaining funds. The unanimous response was that the Predecessor Trust should be rolled over into a new trust with similar guidelines to the Predecessor Trust, with certain changes.

The Trustee considered submissions made by various representatives of beneficiary groups and the Advisory Board, and decided to implement the following changes:

1. The maximum possible contribution of the Trust to any specific Communities Matching Fund project was increased from \$100,000 to \$250,000; and
2. The Trust may contribute up to 75% of the first \$50,000 of any specific Communities Matching Fund project's costs, instead of the prior maximum of 50%.

The EBM-LUP and the ESAMDAP Subtrusts were rolled into a new Ecosystem Based Management Working Group ("EBMWG") Subtrust effective April 30, 2007. An additional \$620,000 was received from the Province of British Columbia to fund the EBMWG in a prior period, and a further \$1,024,320 was received from the Province of British Columbia in a prior year. The EBMWG Subtrust was discontinued in a prior year, and the remainder of the funds were transferred to the Ecosystem Based Management Adaptive Management ("EBMAM") Subtrust.

THE COAST SUSTAINABILITY TRUST II
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

2. BENEFICIARIES OF THE TRUST

The beneficiaries of the Trust are:

- a) municipalities and unincorporated areas located in certain Regional Districts;
- b) any band (as defined by the Indian Act) located in specified geographical areas; and
- c) any other person or entity appointed by the Trustee as beneficiary in accordance with the Declaration of Trust.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Restricted Fund Method

The Trust employs fund accounting, using the accrual method of accounting for transactions. The Trust's assets are subject to the restrictions contained in the Declaration of Trust and are to be used only for the specified purposes.

The Trust comprised the following funds during the year:

i) Community Matching Fund ("CMF")

This fund is used to provide assistance to communities and First Nations that have been negatively affected by provincial government decisions related to the Land and Resources Management Plan ("LRMP") process in the specified areas. Funds can only be disbursed from the Trust if they are matched at a minimum of a 25%/75% basis, for the first \$50,000 of any specific project's costs, and 50%/50% basis thereafter, with unencumbered funds from sources other than the provincial government.

ii) Ecosystem Based Management Matching Fund ("EBMMF")

The amount initially allocated to this fund was \$5,000,000. This amount grew to \$5,618,431 in prior years, but no funds were disbursed until the prior year. During the prior year the Trustee, on the advice of the Trust's Advisory Board, allocated the EBM Matching Fund as follows:

1. \$2,000,000 was allocated to the Community Matching Fund, to be allocated equally among the 5 Regional Steering Committees;
2. \$1,000,000 was set aside to support training for forest workers. That amount was further allocated equally among the 5 Regional Steering Committee areas; and
3. The balance is to be used to match \$2,767,713 in matching funds that was received from the BC Forestry Revitalization Trust II in order to provide mitigation to forest workers and replaceable logging contractors in Haida Gwaii that were negatively impacted by the implementation of EBM, and to pay related administrative expenses to facilitate this mitigation.

THE COAST SUSTAINABILITY TRUST II
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

3. **SIGNIFICANT ACCOUNTING POLICIES, *cont'd***

(a) Restricted Fund Method, *cont'd*

iii) Ecosystem Based Management Working Group ("EBMWG") Subtrust

This donor directed subtrust was used to fund consulting projects approved by the co-chairs of the EBMWG with the goal of improving the scientific basis for Ecosystem Based Management related decisions.

The EBMWG Subtrust was discontinued in a prior year, and the remainder of the funds were transferred to the Ecosystem Based Management Adaptive Management Subtrust.

iv) Ecosystem Based Management Adaptive Management ("EBMAM") Subtrust

This donor directed subtrust is to be used to provide funding for certain projects in the Plan Area, defined as the Central Coast, the North Coast and the Queen Charlotte Islands - Haida Gwaii. The projects are intended to support the successful implementation and management of an Adaptive Management ("AM") program that supports the goals of EBM within the Plan Area. The fund is also to be used to provide funding for projects approved by the Coastal First Nations and the Nanwakolas EBM Forums and the EBM representative of the Province of British Columbia.

v) Landscape Reserve Planning ("LRP") Subtrust

This donor directed subtrust is intended to fund certain projects in specific Central Coast and North Coast areas. The subtrust is intended to fund landscape reserve planning supporting the goals of EBM within the specific areas and to provide for First Nations that are members of the JLRF in the specific areas the capacity to develop landscape reserve plans.

The Trustee allocates administration expenses among these funds and subtrusts based on the level of activity.

(b) The Trustee has elected to prepare the financial statements of the Trust in accordance with Canadian generally accepted accounting principles using Canadian Accounting Standards for Private Enterprises.

The transition is completed in accordance with section 1500, Part II of the CICA Handbook - Accounting. The transition has not resulted in any changes to or restatements of amounts reported in prior years.

(c) Revenue Recognition

Investment income is recorded as received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Use of Assumptions and Estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires the Trustee to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on the Trustee's knowledge of current events and actions the Trust may undertake in the future, actual results may differ from the estimates.

THE COAST SUSTAINABILITY TRUST II
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

4. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS ("ASNPO")

These are the Trust's first financial statements in accordance with ASNPO. The date of transition to these standards is January 1, 2011.

These financial statements of the Trust have been prepared using policies specified by those standards that are in effect at the end of the reporting period ended December 31, 2012. The significant accounting policies that have been applied in the preparation of these financial statements are summarized in Note 3. These accounting policies have been used throughout all periods presented in the financial statements.

The Trust has applied The Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1501, Part III First-Time Adoption in preparing these financial statements under ASNPO. The effects of the transition on net assets, results of operations and cash flows are presented in this section.

Upon transition, the Trust has applied the mandatory exceptions; however, no optional exemptions were applied.

Statement of financial position

Net assets at the date of transition have not been affected by the application of the mandatory exceptions or by other changes in accounting policies upon transition.

Statement of operations

Results of operations for the years ended December 31, 2012 and December 31, 2011 have not been affected by the application of the mandatory exceptions or by other changes in accounting policies upon transition.

Statement of cash flows

There were no adjustment to the previous reported statement of cash flows for the year ended December 31, 2011.

5. CASH

The Trustee transfers funds from the respective investment accounts to the respective cash accounts on an as-needed basis. Negative cash balances for accounting purposes are the result of cheques issued in excess of cash on hand at that date.

6. MATCHING FUNDS

The Matching Fund portions of the Trust are to be used to fund certain community initiatives to mitigate adverse impacts from Land and Resources Management Plan ("LRMP") decisions and Ecosystem Based Management ("EBM") in specified areas.

Any disbursements from the Communities Matching Fund ("CMF") are required to be matched on at least a 25%/75% basis for the first \$50,000 of any project, and on a 50%/50% basis thereafter, and on at least a 50%/50% basis for all Ecosystem Based Management Matching Fund ("EBMMF") projects, with unencumbered funds from sources other than the provincial government. The Trustee and his Advisory Board prepared guidelines with respect to the CMF and the EBMMF in accordance with the directives in the Trust Deed that created the predecessor trust.

THE COAST SUSTAINABILITY TRUST II
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

6. **MATCHING FUNDS, *cont'd***

a) To Mitigate the Effects of LRMP

In accordance with the Trust's guidelines, the Trustee solicited the formation of Regional Steering Committees ("RSC's") representing each of the five distinct geographical areas covered by the Trust. Each RSC is responsible for reviewing and approving proposals presented to the Trustee for funding.

All five RSC's were active during the current year and certain funds were disbursed or committed. The amounts of funds currently allocated to the five RSC's were as follows:

Central Coast RSC	\$ 4,100,000
Comox Strathcona RSC	4,100,000
Mount Waddington RSC	4,100,000
North Coast RSC	4,100,000
Queen Charlotte Islands - Haida Gwaii RSC	<u>4,100,000</u>
	<u>\$ 20,500,000</u>

The above allocations are prior to any disbursement of funds.

b) To Mitigate the Effects of EBM

The balance of the EBMMF, after allocating \$1,000,000 to Forest Worker training and \$2,000,000 to the CMF, is to be used to match \$2,767,713 in matching funds that was received from the BC Forestry Revitalization Trust II. It is to be used to provide mitigation to forest workers and replaceable logging contractors in Haida Gwaii that were negatively impacted by the implementation of EBM, and to pay administrative expenses related to facilitate this mitigation.

In accordance with the Declaration of Trust, up to 3% of the initial contribution to the Trust, plus the aggregate income of the Trust, net of Income Taxes, if any, may be used for administrative expenses over the life of the Trust. From the inception of the Predecessor Trust to December 31, 2009, the Predecessor Trust's and the Trust's receipts exceeded administrative expenditures.

7. **DONOR DIRECTED FUNDS AND SUBTRUSTS**

For donor directed subtrusts, the Trustee performs an administrative and managerial function only over the funding process and does not get involved in the funding decisions.

The donors establish the process to give instructions to the Trustee. The Trustee prepares funding agreements in accordance with the instructions, subject to certain approvals. The Trustee is not required to evaluate requests for releases of funds, but is entitled to rely on instructions as long as they are given in accordance with the process established by the donors.

The Trustee monitors the cumulative amounts of funds released for each project to ensure that the cumulative amounts disbursed do not exceed the total amounts authorized.

THE COAST SUSTAINABILITY TRUST II
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

8. INCOME TAXES

The Trustee is of the opinion that the Trust is either a non-profit organization or a public body performing a function of government and is therefore not a taxable entity. In order to confirm the predecessor Trust's status for income tax purposes, the Trustee applied to the Canada Revenue Agency (the "CRA") for a ruling during a prior year.

Although the Rulings Directorate of the CRA declined to provide a ruling in writing, the Trustee was advised verbally that the predecessor Trust was a holder of a power of appointment granted by the Government of the Province of British Columbia and accordingly, was exempt from income tax as a quasi-governmental agency administering a government program. The Trustee is of the opinion that the tax treatment for the Trust will be the same. During the year the Trustee received a Notice of Assessment confirming that the Trust was not subject to Income Taxes.

9. GOODS AND SERVICES TAXES / HARMONIZED SALES TAXES

The Trustee has obtained advice from the CRA that the Trust will not be able to recover any Input Tax Credits.

10. FAIR VALUE AND CREDIT RISK

The carrying value of investments and liabilities reflected in the balance sheet approximate their respective fair values. The trust does not have significant concentration of credit risk.

11. COMMITMENTS

The Trustee works closely with the RSCs to solicit funding proposals for projects which meet the Trust's guidelines. Upon acceptance of a proposal, the Trustee enters into a funding agreement with the potential recipient. The agreement ordinarily confirms the Trust's commitment for certain disbursements, the expected timing of the disbursements and the criteria for the release of funds.

As at December 31, 2012, the Trust had made disbursements and had committed to make disbursements out of the Communities Matching Fund as follows:

	December 31, <u>2012</u>	December 31, <u>2011</u>
Committed to beneficiaries, contingent on availability of matching funds	\$ 2,129,181	\$ 3,387,526
Disbursed during the year	1,737,510	1,455,771
Disbursed during prior years by Predecessor Trust and the Trust	<u>15,218,180</u>	<u>13,762,409</u>
	<u>\$ 19,084,871</u>	<u>\$ 18,605,706</u>

THE COAST SUSTAINABILITY TRUST II
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

11. **COMMITMENTS, *cont'd***

As at December 31, 2011, the Trust had made disbursements out of the EBMWG Fund as follows:

	December 31, <u>2012</u>	December 31, <u>2011</u>
Disbursed during prior years	<u>\$ 1,616,853</u>	<u>\$ 1,616,853</u>

As at December 31, 2011, the Trustee had made disbursements out of the Ecosystem Based Management Matching Fund as follows:

	December 31, <u>2012</u>	December 31, <u>2011</u>
Committed for forest worker training purposes	\$ 134,428	\$ -
Committed to beneficiaries, contingent on sale of redundant equipment or reaching agreement with a licensee with respect to a lost contract	55,750	497,525
Disbursed to contractors during the year	86,450	2,881,927
Disbursed to forest workers during the year	-	2,155,976
Disbursed for forest workers training purposes during the year	206,743	-
Disbursed during the prior year	<u>5,037,903</u>	<u>-</u>
	<u>\$ 5,521,274</u>	<u>\$ 5,535,428</u>

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF MARKETABLE SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 <u>Total</u>	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
CPN Province of Newfoundland Face Value \$15,209 Due July 7, 2011	-	-	-	-	-	-	15,000
CPN Province of Ontario Face Value \$335,496 Due December 2, 2011	-	-	-	-	-	-	330,000
Res CIBC Face Value \$630,221 Due March 28, 2011	-	-	-	-	-	-	599,999
HSBC Bank Canada Investment Certificate Face Value \$535,000 Due November 23, 2011	-	-	-	-	-	-	535,000
CPN Province of Ontario Face Value \$1,653,983 Due December 2, 2011	-	-	-	-	-	-	1,604,676
CPN Province of Ontario Face Value \$689,358 Due January 13, 2011	-	-	-	-	-	-	680,000
CPN Government of Canada Face Value \$596,815 Due June 1, 2011	-	-	-	-	-	-	585,000

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF MARKETABLE SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 Total	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
<i>carried forward</i>	-	-	-	-	-	-	4,349,675
CPN Ontario Hydro Face Value \$830,390 Due August 6, 2011	-	-	-	-	-	-	809,997
Res TD Bank Face Value \$967,349 Due October 28, 2011	-	-	-	-	-	-	937,974
HSBC Bank Canada GIC Face Value \$162,025 Due December 2, 2011	-	-	-	-	-	-	162,025
CPN Province of Ontario Face Value \$279,853 Due December 2, 2011	-	-	-	-	-	-	275,000
CPN TD Bank Face Value \$258,870 Due December 3, 2011	-	-	-	-	-	-	249,994
CIBC Bankers Acceptance Face Value \$159,000 Due January 3, 2012	-	-	-	-	-	158,845	-

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF MARKETABLE SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 Total	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
<i>carried forward</i>	-	-	-	-	-	158,845	6,784,665
CPN Ontario Hydro Global Face Value \$433,134 Due April 15, 2012	-	-	-	-	-	422,965	-
CPN Province of Ontario Face Value \$267,880 Due June 2, 2012	-	-	-	-	-	259,999	-
Res Bank of Montreal Face Value \$492,421 Due June 21, 2012	-	-	-	-	-	475,259	-
Laurentian Bank of Canada GIC Face Value \$495,000 Due August 9, 2012	-	-	-	-	-	495,000	-
CPN Province of Manitoba Face Value \$796,896 Due September 5, 2012	-	-	-	-	-	764,299	-
Res Scotiabank Face Value \$1,195,570 Due November 1, 2012	-	-	-	-	-	1,106,999	-

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF MARKETABLE SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 Total	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
<i>carried forward</i>	-	-	-	-	-	3,683,366	6,784,665
CPN Canada Housing Trust Face Value \$704,962 Due December 15, 2012	-	-	-	-	-	695,999	-
CPN Province of Newfoundland Face Value \$338,247 Due April 17, 2012	-	-	-	-	-	330,000	-
CPN Province of British Columbia Face Value \$973,563 Due February 23, 2012	-	-	-	-	-	954,891	-
Res TD Bank Face Value \$543,840 Due November 12, 2012	-	-	-	-	-	534,996	-
Res TD Bank Face Value \$16,237 Due November 1, 2012	-	-	-	-	-	15,999	-
CPN Hydro Quebec Face Value \$412,332 Due January 10, 2013	-	-	-	386,065	386,065	-	-

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF MARKETABLE SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 <u>Total</u>	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
<i>carried forward</i>	-	-	-	386,065	386,065	6,215,251	6,784,665
CPN Province of Ontario Face Value \$229,236 Due March 8, 2013	-	-	-	213,935	213,935	-	-
Res Royal Bank of Canada Face Value \$452,349 Due June 6, 2013	-	315,516	-	123,999	439,515	-	-
CPN Canada Housing Trust Face Value \$792,322 Due June 15, 2013	-	-	-	784,999	784,999	-	-
Vancity Savings GIC Face Value \$515,000 Due August 12, 2013	-	-	-	515,000	515,000	-	-
HSBC Bank Canada GIC Face Value \$500,000 Due November 4, 2013	-	-	-	500,000	500,000	-	-
Res Royal Bank of Canada Face Value \$212,125 Due November 4, 2013	-	-	-	200,000	200,000	-	-

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF MARKETABLE SECURITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 <u>Total</u>	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
<i>carried forward</i>	-	315,516	-	2,723,998	3,039,514	6,215,251	6,784,665
CPN Province of Ontario Face Value \$430,107 Due December 2, 2013	-	-	-	424,999	424,999	-	-
Province of Ontario Treasury Bill Face Value \$470,000 Due August 28, 2013	16,849	-	449,071	-	465,920	-	-
Res CIBC Face Value \$652,112 Due June 6, 2013	-	-	641,717	-	641,717	-	-
CPN Province of NFLD Face Value \$123,406 Due October 17, 2013	-	-	121,159	-	121,159	-	-
CPN Province of Manitoba Face Value \$347,487 Due September 5, 2013	-	340,000	-	-	340,000	-	-
MARKETABLE SECURITIES	<u>\$ 16,849</u>	<u>\$ 655,516</u>	<u>\$ 1,211,947</u>	<u>\$ 3,148,997</u>	<u>\$ 5,033,309</u>	<u>\$ 6,215,251</u>	<u>\$ 6,784,665</u>

Marketable securities are recorded at cost.

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 <u>Total</u>	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
CPN Province of Newfoundland Face Value \$338,247 Due April 17, 2012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,000
CPN Province of British Columbia Face Value \$998,920 Due February 23, 2012	-	-	-	-	-	-	979,806
CPN Ontario Hydro Global Face Value \$433,134 Due April 15, 2012	-	-	-	-	-	-	422,965
Res Bank of Montreal Face Value \$492,421 Due June 21, 2012	-	-	-	-	-	-	475,259
Res Scotiabank Face Value \$1,195,570 Due November 1, 2012	-	-	-	-	-	-	1,106,999
CPN Province of Ontario Face Value \$267,880 Due June 2, 2012	-	-	-	-	-	-	259,999
CPN Province of Manitoba Face Value \$296,896 Due September 5, 2012	-	-	-	-	-	-	279,999

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF INVESTMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 Total	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
<i>carried forward</i>	-	-	-	-	-	-	3,855,027
CPN Province of Ontario Face Value \$229,236 Due March 8, 2013	-	-	-	-	-	213,935	213,935
CPN Hydro-Quebec Face Value \$412,332 Due January 10, 2013	-	-	-	-	-	386,065	386,065
Res RBC Face Value \$127,620 Due June 6, 2013	-	-	-	-	-	463,999	-
Res RBC Face Value \$212,125 Due November 4, 2013	-	-	-	-	-	200,000	-
CPN Province of BC Face Value \$460,502 Due February 23, 2015	-	-	-	444,999	444,999	-	-
INVESTMENTS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 444,999</u>	<u>\$ 444,999</u>	<u>\$ 1,263,999</u>	<u>\$ 4,455,027</u>

Investments are recorded at cost.

The accompanying notes and schedules are an integral part of these financial statements.

THE COAST SUSTAINABILITY TRUST II
SCHEDULE OF CASH
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Landscape Reserve</u>	<u>EBM-AM</u>	<u>EBM-Matching Fund</u>	<u>Community Matching Fund</u>	December 31, 2012 <u>Total</u>	December 31, 2011 <u>Total</u>	January 1, 2011 <u>Total</u>
Cash	<u>\$ 981</u>	<u>\$ 8,068</u>	<u>\$ 3,077</u>	<u>\$ 11,134</u>	<u>\$ 23,260</u>	<u>\$ 19,209</u>	<u>\$ 34,746</u>

The accompanying notes and schedules are an integral part of these financial statements.