

**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NATION NEGOTIATION
SUPPORT AGREEMENT**

FINANCIAL STATEMENTS

MARCH 31, 2005



**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NATION NEGOTIATION
SUPPORT AGREEMENT**

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MARCH 31, 2005

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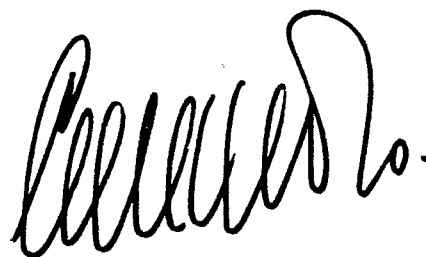
NOTES

**AUDIT REPORT
TO THE BOARD OF DIRECTORS**

We have audited the balance sheet of the First Nation Support Agreement of the Wet'suwet'en Treaty Office Society as at March 31, 2005 and the statement of revenue and expenditure 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 the audit.

We conducted the audit in accordance with Canadian generally accepted auditing standards. These 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 financial statements present fairly, in all material respects, the financial position of the First Nation Negotiation Support Agreement of the Wet'suwet'en Treaty Office Society as at March 31, 2005 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles as reported in note 1.



Terrace BC
May 4, 2005

**AUDIT REPORT ON COMPLIANCE WITH AN AGREEMENT
TO THE BRITISH COLUMBIA TREATY COMMISSIONERS**

We have audited the Wet'suwet'en Treaty Office Society's compliance as at March 31, 2005 with the criteria established by provisions relating to financial obligations incurred by the Wet'suwet'en Treaty Office Society during the year ended March 31, 2005 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 23, 2004 with the British Columbia Treaty Commission and with Canada. Compliance with the criteria established by the provisions of the Agreement is the responsibility of the management of the Wet'suwet'en Treaty Office Society. Our responsibility is to express an opinion on this compliance based on the audit.

We conducted the audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the Wet'suwet'en Treaty Office Society 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 principles used and significant estimates made by management.

We confirm that expenditures were compared to the final budget approved by the Treaty Commission and no material variances were found.

In our opinion, the Wet'suwet'en Treaty Office Society is in compliance in all material respects, with the criteria established by Sections 7.1 and 7.2 and 8.1 of the Agreement, as described in the attached schedule.



Terrace BC
May 4, 2005

**SCHEDULE TO THE AUDITOR'S REPORT ON COMPLIANCE WITH AN AGREEMENT
FOR THE YEAR ENDED MARCH 31, 2005**

SCHEDULE 1 – INTERPRETATION OF AGREEMENT FOR CRITERIA FOR COMPLIANCE

SECTION

7.0 FINANCIAL CONTROL

- 7.1 For the purpose of receiving funds under this Agreement, the First Nation will maintain an account at a Bank, Trust Company or Credit Union established and regulated under federal or provincial legislation and inform the Commission of the account particulars.
- 7.2 To support financial control of the funds received under this Agreement and the Expenditures, the First Nation will maintain separate records and procedures which conform to generally accepted accounting principles as set out in the Canadian Institute of Chartered Accountants' Handbook.

8.0 EXPENDITURES BY FIRST NATION

- 8.1 Subject to Section 11.1, the First Nation will use the contribution payments and loan advances received under this Agreement only for Expenditures.

DEFINITIONS AS SET OUT IN THE FIRST NATION NEGOTIATION SUPPORT AGREEMENT

“Expenditures” means the expenditures generally described in the Budget that are reasonably and properly incurred by the First Nation in carrying out the activities described in the Workplan.

“Budget” means the budget for the Fiscal Year submitted by the First Nation and approved by the Commission that

- (i) lists the activities and the proposed expenditures to carry out the Workplan for the Fiscal Year
- (ii) shows the estimated cash flow projection of the First Nation for the Fiscal Year and
- (iii) is consistent with the amount of loan and contribution funding allocated to the First Nation for the Fiscal Year.

“Workplan” means the workplan for the Fiscal Year describing activities by Stage submitted by the First Nation to, and reviewed by, the Commission, and includes any revisions to the workplan reviewed by the Commission.

“Stage” means one of the six stages of the Treaty Process.

“Treaty Process” means the six-stage process for the negotiation of treaties between Canada, British Columbia and First Nations facilitated by the Commission.

**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NATION NEGOTIATION SUPPORT AGREEMENT**

BALANCE SHEET

MARCH 31

ASSETS

	2005	2004
	\$	\$
CURRENT		
Cash	<u>130 807</u>	<u>111 126</u>

LIABILITIES AND EQUITY

CURRENT

Accounts payable and accruals	<u>16 845</u>	<u>30 019</u>
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NON-CURRENT

Loan payable (note 2)	<u>10 125 768</u>	<u>9 154 409</u>
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EQUITY

Surplus (Deficit)	<u>-10 011 806</u>	<u>-9 073 302</u>
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130 807

111 126

APPROVED BY THE DIRECTORS

Allyson Director

A. D. D. D. Director

Suzanne Director

Debra Director

Dan Director

**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NEGOTIATION SUPPORT AGREEMENT
STATEMENT OF REVENUE AND EXPENDITURE**

YEAR ENDED MARCH 31

	Actual 2005 \$	Budget 2005 \$	Actual 2004 \$
REVENUE			
INAC loan	971 360	971 360	971 360
BC Treaty Commission contribution	242 840	242 840	242 840
	<u>1 214 200</u>	<u>1 214 200</u>	<u>1 214 200</u>
EXPENDITURE			
Negotiation Team			
Negotiators	209 852	211 940	209 105
Wet'suwet'en advisors	21 330	23 570	135 989
Negotiations travel	37 525	85 000	95 857
Benefits	17 229	15 990	11 866
Honorarium/Committees			
Honoraria – other	13 482	17 650	6 000
Honoraria – chiefs	127 101	128 355	125 215
Committee expenses	25 989	27 000	27 077
Workshops	-	-	9 561
Committee travel	52 616	50 000	50 229
Research			
Materials	-	-	500
Travel	-	-	2 605
Technical			
GIS operators	56 050	52 974	55 962
Mapping	7 000	6 100	6 100
Community consultation	36 293	37 219	73 307
Consultants/Contracts			
Legal	64 842	60 000	48 558
Researcher	12 101	10 000	15 087
Consultants/contracts	35 000	35 000	26 233
Administration			
Treaty manager	38 012	36 992	37 394
Secretarial/support/finance	160 932	169 571	146 889
Librarian	-	31 870	-
Translator	-	-	2 280
Communications co-ordinator	33 540	42 078	32 530
Human and social services manager	42 633	49 080	51 544
Office rent	48 000	48 000	48 000
Office materials and supplies	24 310	28 000	27 971
Equipment rent	35 418	25 000	23 077
Equipment purchase	-	-	178
Computer equipment	13 579	23 500	990
Computer software and support	8 691	19 519	10 440
Audit	8 900	8 900	5 775
Utilities	7 752	7 500	7 251
Maintenance	12 464	15 500	12 980
Postage and telephone	17 850	17 000	12 598
Internet	2 537	1 500	1 130
Photocopying	5 830	5 000	3 706
Bank charges	4 486	5 500	4 562
	<u>1 181 344</u>	<u>1 295 308</u>	<u>1 328 546</u>
REVENUE OVER EXPENDITURE	32 856	-81 108	-114 346
LOAN REPAYABLE	-971 360	-971 360	-971 360
OPENING SURPLUS (DEFICIT)	<u>-9 073 302</u>	<u>-9 073 302</u>	<u>-7 987 596</u>
CLOSING SURPLUS (DEFICIT)	<u>-10 011 806</u>	<u>-10 125 770</u>	<u>-9 073 302</u>

**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NATION NEGOTIATION SUPPORT AGREEMENT**

NOTES

MARCH 31, 2005

1. SIGNIFICANT ACCOUNTING POLICIES

Contributions and loan amounts are included in receipts.

A statement of cash flows is not provided as management does not deem it useful for its purposes.

2. LOAN PAYABLE

The Wet'suwet'en Treaty Office Society has signed promissory notes and First Nation Support Agreements totaling \$10 125 768 as at March 31, 2005 (2004 \$9 154 409), representing advances made by Indian and Northern Affairs Canada for negotiations. Repayment provisions for these loans are outlined in Sections 13.0 and 14.0 of the First Nation Negotiation Support Agreement.

The repayable portion of the funding received by the Wet'suwet'en Treaty Office Society is as follows:

1995	\$	468 106
1996		797 354
1997		570 104
1998		812 862
1999		882 330
2000		974 800
2001		1 331 164
2002		1 214 168
2003		1 132 160
2004		971 360
2005		971 360
		<u> </u>
		<u>\$ 10 125 768</u>

**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NATION NEGOTIATION SUPPORT AGREEMENT**

NOTES

MARCH 31, 2005

3. PURPOSE OF THE ORGANIZATION

The Society is an association of people committed to coordinating and administering treaty negotiations on behalf of the Wet'suwet'en House Groups with British Columbia and Canada as well as developing programs and services for the Wet'suwet'en and promoting, preserving and enhancing the Wet'suwet'en culture and territories.

4. COMMITMENTS

Xerox Canada Ltd., photocopier leases, \$5 635/quarterly, expires December, 2007 and \$1 660/ quarterly, expires August, 2006.

5. UNEXPENDED FUNDS

The Society has unexpended treaty funding of \$113 962 which is below the allowed BCTC carry forward amount.