

**WET'SUWET'EN TREATY OFFICE SOCIETY**

**Financial Statements**

**March 31, 2003**

AUDITORS' REPORT

STATEMENT OF FINANCIAL POSITION

STATEMENTS OF RECEIPTS AND EXPENDITURES

- B.C. Treaty Commission

NOTES TO FINANCIAL STATEMENTS

AUDITOR'S REPORT ON COMPLIANCE WITH AN AGREEMENT

EDMISON MEHR  
CHARTERED ACCOUNTANTS

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Box 969 3820 Alfred Avenue  
Smithers, B.C. V0J 2N0  
Telephone (250)847-4325  
Fax (250)847-3074  
E-mail: edmison@mail.bulkley.net

Partners:  
BRIAN R. EDMISON, B.A., CA  
MICHAEL B. MEHR, B.Comm, CA  
Associate:  
G.B. PHILLIPS, CA

AUDITORS' REPORT

To the Directors  
WET'SUWET'EN TREATY OFFICE SOCIETY  
Moricetown, B.C.

We have audited the statement of financial position of WET'SUWET'EN TREATY OFFICE SOCIETY as at March 31, 2003 and the statements of receipts and expenditures 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 financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2003 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles on a basis consistent with that of the preceding year.

  
Edmison Mehr

Smithers, B.C.  
June 18, 2003



**WET'SUWET'EN TREATY OFFICE SOCIETY**  
**Statement of Financial Position**  
**March 31, 2003**

**EXHIBIT 'A'**

	<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
Bank		\$ <u>216,629</u>	<u>220,060</u>

**LIABILITIES AND MEMBERS' EQUITY**

Accounts payable	\$ 21,176	9,513
Loans payable, note 4	<u>8,183,049</u>	<u>5,836,721</u>
	<u>8,204,225</u>	<u>5,846,234</u>
Members Equity		
Deficit, Exhibit 'B'	<u>(7,987,596)</u>	<u>(5,626,174)</u>
	\$ <u>216,629</u>	<u>220,060</u>

Approved on behalf of Wet'suwet'en Treaty Office Society

Lucy Namay Director

Robert Joseph Director

Dan Mitchell Director

Leonard George Director

[Signature] Director

**WET'SUWET'EN TREATY OFFICE SOCIETY**  
**Statement of Receipts and Expenditures**  
**For the Year Ended March 31, 2003**

**EXHIBIT 'B'**

**B.C. TREATY COMMISSION**

	<u>Actual</u> <u>2003</u>	<u>Budget</u> <u>2003</u>	<u>Actual</u> <u>2002</u>
<b>Receipts</b>			
Department of Indian and Northern Affairs - loan	\$ 1,132,160	1,132,160	1,214,168
British Columbia Treaty Commission- contribution	<u>283,040</u>	<u>283,040</u>	<u>303,542</u>
	<u>1,415,200</u>	<u>1,415,200</u>	<u>1,517,710</u>
<b>Expenditures</b>			
<b>Negotiation Team</b>			
Chief Negotiators	209,991	229,685	109,643
Wet'suwet'en advisors	126,406	133,500	186,769
Negotiation's travel	118,163	115,200	97,546
Training	6,313	5,000	7,524
Resource materials	351	1,000	1,313
<b>Honorarium/Committees</b>			
Honoraria - Elders	4,510	12,000	3,962
- Chiefs	125,797	124,800	113,710
Committee expenses	23,981	21,000	11,917
Assembly and meeting	19,978	20,000	36,716
Workshops	25,964	25,000	23,365
Committee travel	42,505	40,000	48,336
<b>Research</b>			
Research Coordinator	33,435	33,856	58,266
Researcher	544	-	33,816
Projects	5,009	8,000	-
Materials	106	5,000	-
Travel	5,373	12,000	-
<b>Technical</b>			
GIS operators	46,915	54,000	34,372
Mapping	8,795	13,300	13,954
Community Consultation	94,666	94,810	-
<b>Consultants/Contracts</b>			
Legal	94,902	80,000	38,450
Researchers	8,956	15,000	12,310
Consultants	<u>40,500</u>	<u>44,000</u>	<u>43,743</u>
<b>Balance Forward</b>	<b>\$ <u>1,043,160</u></b>	<b><u>1,087,151</u></b>	<b><u>986,119</u></b>

**WET'SUWET'EN TREATY OFFICE SOCIETY**  
**Statement of Receipts and Expenditures**  
**For the Year Ended March 31, 2003**

**EXHIBIT 'B' ...con't**

**B.C. TREATY COMMISSION**

	Actual <u>2003</u>	Budget <u>2003</u>	Actual <u>2002</u>
<b>Balance Forward</b>	\$ <u>1,043,160</u>	<u>1,087,151</u>	<u>986,119</u>
<b>Administration</b>			
Treaty Manager	37,228	36,099	68,000
Secretarial	174,608	178,140	117,700
Human & Social Services Manager	95	24,183	-
Librarian	-	15,000	-
Translators	6,375	9,000	3,293
Comm. Communications Worker	-	40,000	-
Communications coordinator	27,849	40,446	38,644
Office rent	48,000	48,000	48,000
Office materials and supplies	32,460	38,000	41,393
Community communications exp.	2,500	5,000	-
Equipment lease	43,760	42,000	36,573
Equipment purchase	1,564	15,000	11,968
Computer purchase	9,295	10,000	4,500
Mapping equipment	-	15,000	6,101
Replacements for 2001	-	-	16,650
Computer software	13,364	18,000	15,160
Training	1,200	6,000	1,542
Audit	5,100	5,100	4,200
Utilities	6,241	6,500	6,868
Maintenance	11,447	10,116	9,046
Postage/telephone	13,690	17,000	16,772
Internet	2,087	3,000	-
Photocopying	7,953	12,000	7,118
Bank charges	5,430	4,200	4,082
Travel	5,586	9,510	5,282
	<u>1,498,992</u>	<u>1,694,445</u>	<u>1,449,011</u>
Excess of receipts over expenditures	(83,792)	(279,245)	68,699
Funds carried forward	<u>279,245</u>	<u>279,245</u>	<u>210,546</u>
Fund balance, end of year, to Exhibit 'B'	195,453	-	279,245
Loan repayable, note 5	<u>(8,183,049)</u>	<u>(8,183,049)</u>	<u>(7,050,889)</u>
	<u>\$ (7,987,596)</u>	<u>(8,183,049)</u>	<u>(6,771,644)</u>

**WET'SUWET'EN TREATY OFFICE SOCIETY**  
**Notes to Financial Statements**  
**For the Year Ended March 31, 2003**

1. Registered Society

The Wet'suwet'en Treaty Office Society was incorporated on December 13, 1994 in the Province of British Columbia, registration number S32914. The Society was incorporated following a agreement signed with the B.C. Treaty Commissions.

2. Significant Accounting Policies

The financial statement Exhibit 'B', account for transactions arising from the First Nation Contribution Agreement of July 25, 2003 and the First Nation Loan Agreement of June 11, 2002 and have been prepared in accordance with fund accounting principles generally accepted for similar non-profit organizations.

Contribution and loan funding amounts are included in receipts. Operating and capital expenditures are included in expenditures.

3. Statement of Changes in Financial Position

A statement of changes in financial position has not been presented as it would not disclose any additional information.

4. Loan Payable

The Wet'suwet'en Treaty Office Society has signed promissory notes and First Nation Negotiation Support Agreements totalling \$68,183,049 as at March 31, 2003, (\$7,050,8891 as at March 31, 2002), representing advances made by Indian and Northern Affairs Canada for negotiations. Repayment provisions for those loans are outlined in Section 13.0 and 14.0 of the First Nation Negotiation Support Agreement.

EDMISON MEHR  
CHARTERED ACCOUNTANTS

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Smithers, B.C. V0J 2N0  
Telephone (250)847-4325  
Fax (250)847-3074  
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AUDITORS' REPORT  
ON COMPLIANCE WITH AGREEMENTS

**To: The British Columbia Treaty Commissioners**


We have audited WET'SUWET'EN TREATY OFFICE SOCIETY'S compliance as at March 31, 2003 with the criteria established by provisions relating to financial obligations incurred by WET'SUWET'EN TREATY OFFICE SOCIETY during the year ended March 31, 2003 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 12, 2002 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 WET'SUWET'EN TREATY OFFICE SOCIETY. Our responsibility is to express an opinion on this compliance 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 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, WET'SUWET'EN TREATY OFFICE SOCIETY is in compliance in all material respects, with the criteria established by Sections 7.1, 7.2 and 8.1 of the Agreement as described in Note 2.

Smithers, B.C.  
June 18, 2003

  
Edmison Mehr

