

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

FINANCIAL STATEMENTS

MARCH 31, 2007



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

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MARCH 31, 2007

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**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, 2007 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, 2007 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 16, 2007


**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, 2007 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, 2007 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 27, 2006 and August 9, 2006 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, 7.2 and 8.1 of the Agreement, as described in the attached schedule.



Terrace BC
May 16, 2007

**SCHEDULE TO THE AUDITOR'S REPORT ON COMPLIANCE WITH AN AGREEMENT
FOR THE YEAR ENDED MARCH 31, 2007**

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

	2007	2006
	\$	\$
CURRENT		
Cash	<u>214 452</u>	<u>168 453</u>

LIABILITIES AND EQUITY

CURRENT		
Accounts payable and accruals	<u>62 686</u>	<u>16 688</u>
NON-CURRENT		
Loans payable (note 2)	<u>11 683 929</u>	<u>10 955 448</u>
EQUITY		
Surplus (Deficit)	<u>-11 532 163</u>	<u>-10 803 683</u>
	<u>214 452</u>	<u>168 453</u>

APPROVED BY THE DIRECTORS

Dan Mitchell Director

[Signature] Director

[Signature] Director

[Signature] Director

[Signature] Director

**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NEGOTIATION SUPPORT AGREEMENT
STATEMENT OF REVENUE AND EXPENDITURE
YEAR ENDED MARCH 31**

	Actual 2007 \$	Budget 2007 \$	Actual 2006 \$
REVENUE			
INAC loan	728 480	728 480	829 680
BC Treaty Commission contribution	182 120	182 120	207 420
	<u>910 600</u>	<u>910 600</u>	<u>1 037 100</u>
EXPENDITURE			
Negotiation Team			
Negotiators	157 363	165 577	204 846
Negotiations travel	12 332	30 400	15 039
Benefits	18 365	31 137	18 548
Honorarium/Committees			
Honoraria – other	5 608	10 400	22 405
Honoraria – chiefs	121 100	128 800	118 964
Committee expenses	27 572	29 600	26 632
Assembly and meeting expenses	24 925	50 429	-
Committee travel	25 737	24 000	22 550
Technical			
GIS operators	44 625	47 223	51 547
Mapping	7 000	7 000	7 000
Consultants/Contracts			
Legal	70 498	80 665	116 385
Administration			
Treaty manager	36 087	38 747	37 292
Secretarial/support/finance	120 097	140 081	133 954
Communications co-ordinator	36 980	49 584	31 868
Human and social services manager	39 310	54 874	42 288
Office rent	48 000	48 000	48 000
Office materials and supplies	29 860	24 000	20 587
Equipment rent	15 415	30 000	26 663
Equipment purchase (recovery)	-	-	-434
Computer software and support	11 001	10 200	9 194
Audit	13 435	13 435	7 707
Utilities	6 913	6 600	6 559
Maintenance	16 366	14 375	12 164
Postage and telephone	13 915	15 000	14 724
Internet	318	1 440	1 351
Photocopying (recovery)	3 061	5 400	-821
Travel	624	600	-
Bank charges	4 093	4 800	4 285
	<u>910 600</u>	<u>1 062 367</u>	<u>999 297</u>
REVENUE OVER EXPENDITURE	-	-151 767	37 803
LOAN REPAYABLE	-728 480	-	-829 680
OPENING SURPLUS (DEFICIT)	<u>-10 803 683</u>	<u>-10 803 683</u>	<u>-10 011 806</u>
CLOSING SURPLUS (DEFICIT)	<u>-11 532 163</u>	<u>-10 955 450</u>	<u>-10 803 683</u>

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

NOTES

MARCH 31, 2007

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. LOANS PAYABLE

The Wet'suwet'en Treaty Office Society has signed promissory notes and First Nation Support Agreements totaling \$11 683 929 as at March 31, 2007 (2006 \$10 955 448), 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		797 355
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
2006		829 680
2007		728 480
		<u> </u>
		<u>\$ 11 683 929</u>

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

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MARCH 31, 2007

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. COMMITMENT

Xerox Canada Ltd., photocopier lease, \$2 985/quarterly, expires May, 2011.

5. UNEXPENDED FUNDS

The Society has unexpended treaty funding of \$151 767.