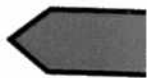


**WET'SUWET'EN TREATY OFFICE SOCIETY
FIRST NATION NEGOTIATION
SUPPORT AGREEMENT**

FINANCIAL STATEMENTS

MARCH 31, 2009



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

INDEX TO FINANCIAL STATEMENTS

MARCH 31, 2009

AUDIT REPORTS

BALANCE SHEET

STATEMENT OF REVENUE AND EXPENDITURE

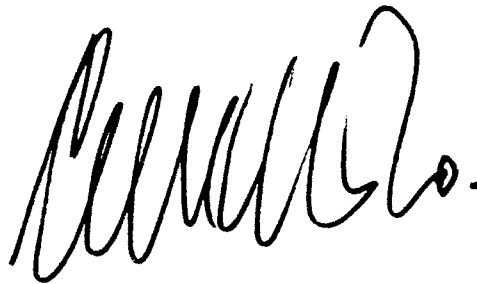
NOTES

**AUDIT REPORT
TO THE BOARD OF DIRECTORS**

We have audited the balance sheet of the First Nation Negotiation Support Agreement of the Wet'suwet'en Treaty Office Society as at March 31, 2009 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, 2009 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 6, 2009

**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, 2009 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, 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 27, 2008 and September 17, 2008 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 6, 2009

**SCHEDULE TO THE AUDITOR'S REPORT ON COMPLIANCE WITH AN AGREEMENT
FOR THE YEAR ENDED MARCH 31, 2009**

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

	2009	2008
	\$	\$
CURRENT		
Cash	<u>55 566</u>	<u>5 600</u>

LIABILITIES AND EQUITY

CURRENT		
Accounts payable and accruals	<u>44 754</u>	<u>5 601</u>
NON-CURRENT		
Loans payable (note 3)	<u>12 205 569</u>	<u>11 683 929</u>
EQUITY		
Surplus (Deficit)	<u>-12 194 757</u>	<u>-11 683 930</u>
	<u>55 566</u>	<u>5 600</u>

APPROVED BY THE DIRECTORS

Robert Jones Director

Dan Mitchell Director

Webb Knight Director

Jeff Brown Director

Sam Hester Director

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

	Actual 2009 \$	Budget 2009 \$	Actual 2008 \$
REVENUE			
INAC loan	521 640	521 640	-
BC Treaty Commission contribution	130 410	130 410	-
	<u>652 050</u>	<u>652 050</u>	<u>-</u>
EXPENDITURE			
Strategic Planning			
Facilitator	-	-	15 527
Travel	-	-	5 728
Negotiation Team			
Negotiators	56 979	59 077	-
Negotiations travel	20 315	18 000	-
Benefits	7 815	9 062	-
Honoraria/Committees			
Honoraria – other	1 040	2 700	-
Honoraria – chiefs	87 750	87 750	52 775
Committee expenses	15 765	12 000	5 891
Assembly and meeting expenses	14 121	22 247	-
Committee travel	14 570	12 000	6 558
Technical			
GIS operators	17 796	23 838	-
Researchers	25 453	27 505	-
Consultants/Contracts			
Legal	18 578	12 000	18 514
Administration			
Treaty manager	38 840	38 427	-
Secretarial/support/finance	153 187	148 772	-
Communications co-ordinator	19 737	21 454	-
Human and social services manager	24 090	24 604	-
Office rent	24 000	24 000	20 000
Office materials and supplies	20 610	16 800	4 125
Equipment rent	10 000	12 000	-
Computer equipment purchases	8 721	15 000	-
Computer software and support	8 926	11 100	3 212
Audit	11 351	11 351	5 600
Utilities	7 113	7 200	2 750
Maintenance	8 314	8 400	3 064
Postage and telephone	17 491	15 963	5 623
Internet	456	1 500	600
Photocopying	1 172	1 500	1 800
Travel	2 978	3 000	-
Bank charges	4 069	4 800	-
	<u>641 237</u>	<u>652 050</u>	<u>151 767</u>
REVENUE OVER EXPENDITURE	10 813	-	-151 767
LOAN REPAYABLE	-521 640	-521 640	-
OPENING SURPLUS (DEFICIT)	-11 683 930	-11 683 930	-11 532 163
CLOSING SURPLUS (DEFICIT)	<u>-12 194 757</u>	<u>-12 205 570</u>	<u>-11 683 930</u>

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

NOTES

MARCH 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

a) Accrual Accounting

Revenue and expenditures are reported on an accrual basis.

b) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from these estimates.

c) Cash Flows

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

2. 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.

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

NOTES

MARCH 31, 2009

3. LOANS PAYABLE

The Wet'suwet'en Treaty Office Society has signed promissory notes and First Nation Negotiation Support Agreements totaling \$12 205 569 as at March 31, 2009 (2008 \$11 683 929), 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
2008		521 640
		<hr/>
		\$ 12 205 569