

KANAKA BAR INDIAN BAND

**FINANCIAL STATEMENTS
MARCH 31, 2011**

KANAKA BAR INDIAN BAND

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March 31, 2011

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INDEPENDENT AUDITORS' REPORT

KANAKA BAR INDIAN BAND

Report on the financial statements

We have audited the accompanying consolidated financial statements of Kanaka Bar Indian Band, which comprise the summary statement of financial position as at March 31, 2011, the summary statements of operations, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 auditors consider internal controls relevant to the entity's preparation and fair presentation 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 controls.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for qualified opinion

Beginning April 1, 2009, generally accepted accounting principles for government entities required that the Band record the net value of tangible capital assets in its financial statements. The Band has not applied these new financial statement reporting standards. Because the Band did not provide us with a completed capital asset register reflecting the total cost of tangible capital assets owned by the Band and appropriate accumulated amortization and any impairment attributable to each of those assets, we were unable to determine the net value of the tangible capital assets that should have been recorded as an asset and the related amortization or impairment that should have been recorded as an expense in the current and prior year. Upon adoption of PS 1200 Financial Statement Presentation, the Band did not fully adopt all aspects of the standard as they relate to the aforementioned tangible capital assets as they have reported capital purchases and long-term debt payments as expenses and have not appropriately reported depreciation as an expense.

INDEPENDENT AUDITORS' REPORT (Continued)

Opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Kanaka Bar Indian Band as at March 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting board standards.



REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

JUNE 5, 2012
RICHMOND, B.C.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF FINANCIAL POSITION March 31, 2011

Statement 1

	2011	2010
	\$	\$
FINANCIAL ASSETS		
Cash	34,482	114,403
Restricted cash	207,749	196,498
Accounts receivable	227,253	173,303
Accounts receivable - renters	10,826	1,604
Accounts receivable - tobacco	36,723	34,599
Member loans receivable	40,020	41,764
Inventory	1,364	783
Due from Kwoiek Creek Resources Inc.	103,539	23,828
Due from Fraser Canyon Tribal Administration	22,355	2,443
Investment in All Nations Trust Company	11,220	11,220
	695,531	600,445
LIABILITIES		
Accounts payable	100,421	86,004
Deferred revenue (Note 10)	-	121,487
Due to Skuppah Indian Band	25,534	25,348
Long-term debt (Note 6)	146,492	182,180
Investment in First Nation Controlled Entities (Note 3)	92,550	9,144
	364,997	424,163
NET FINANCIAL ASSETS (DEBT)	330,534	176,282
NON-FINANCIAL ASSETS		
Capital assets (Note 1c, 2)	708,201	755,228
Prepaid expenses	6,023	6,537
	714,224	761,765
	1,044,758	938,047

APPROVED ON BEHALF OF
THE KANAKA BAR INDIAN BAND

_____ Chief

_____ Councilor

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF OPERATIONS For the year ended March 31, 2011

Statement 2

	2011	2010
	\$	\$
REVENUE		
Indian and Northern Affairs Canada	467,547	464,139
Administration	-	103,000
Allocation from deferred revenue	121,487	311,449
Allocation to deferred revenue	-	(121,487)
Canada Mortgage & Housing Corporation subsidy	18,559	23,755
Capital fund	8,388	193,710
Enterprise Fund	(83,406)	(45,024)
First Nations Education Steering Committee	10,203	14,012
Fraser Canyon Health	79,648	39,857
Fraser Thompson Indian Services Society	-	13,500
Interest Income	7	1,043
Miscellaneous income	155,505	125,457
Ottawa Trust Funds	11,260	14,717
Rental income	69,072	75,018
Kwoiek Creek Resources	136,500	-
Taxation	15,572	25,190
	1,010,342	1,238,336
EXPENDITURES (Schedule 2)		
Operating Fund		
Band Programs	472,705	391,972
Social Development	126,533	168,958
Capital	-	3,659
Health	74,279	51,402
Education	124,978	104,730
Economic Development	11,105	10,884
Housing	74,304	98,933
Housing - Equity in Housing Facilities	-	178,650
Capital	19,727	76,068
	903,631	1,085,256
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	106,711	153,080

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the year ended March 31, 2011

Statement 3

	2011 \$	2010 \$
ANNUAL EXCESS OF REVENUE OVER EXPENDITURES	106,711	153,080
Acquisition of tangible capital assets	(8,388)	(1,105)
Amortization of tangible capital assets	55,415	125,031
	153,738	277,006
Acquisition of prepaid asset	(6,023)	(6,537)
Use of prepaid assets	6,537	5,759
	514	(778)
NET CHANGE IN NET FINANCIAL ASSETS	154,252	276,228
NET FINANCIAL ASSETS (DEBTS), BEGINNING OF THE YEAR	176,282	(99,946)
NET FINANCIAL ASSETS (DEBTS), END OF THE YEAR	330,534	176,282

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF CASH FLOW March 31, 2011

Statement 4

	2011 \$	2010 \$
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenditures	106,711	153,080
Non-cash items:		
Share of income (loss) of First Nation Controlled Entities	83,406	45,024
Depreciation	55,415	125,031
Deferred revenue	(121,487)	(189,962)
Changes in non-cash operating net assets	(148,639)	(114,317)
	(24,594)	18,856
FINANCING ACTIVITIES		
Repayment of Social Housing and Capital Funds long-term debt	(35,688)	(48,963)
Repayment on capital asset loan	-	(13,955)
	(35,688)	(62,918)
INVESTING ACTIVITIES		
Purchase of capital assets	(8,388)	(1,105)
CHANGE IN CASH DURING YEAR	(68,670)	(45,167)
CASH, BALANCE BEGINNING OF YEAR	310,901	356,068
CASH, BALANCE END OF YEAR	242,231	310,901
REPRESENTED BY:		
Cash	34,482	114,403
Restricted Cash	207,749	196,498
	242,231	310,901

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2011

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These Summary Financial Statements have been prepared in accordance with generally accepted accounting principles for local government entities, as defined in the CICA Public Sector Accounting and Auditing Handbook, which encompasses the following principles:

a) Fund Accounting

The Kanaka Bar Indian Band uses fund accounting procedures which result in a self-balancing set of accounts for each fund established by legal, contractual or voluntary actions. The various funds have been amalgamated for the purpose of presentation in the Summary Financial Statements. Details of the operations of each fund are set out in the supplementary schedules. The Kanaka Bar Indian Band maintains the followings funds:

- The Operating Fund which reports the general activities of the First Nation Administration.
- The Capital Fund which reports the capital assets of the First Nation, together with their related financing.
- The Social Housing Fund which reports the social housing assets of the First Nation, together with related activities.
- The Trust Fund which reports on trust funds owned by the First Nation and held by third parties
- The Enterprise Fund which reports the First Nation's investments in related entities.

b) Reporting Entity and Principles of Financial Reporting

The Kanaka Bar Indian Band reporting entity includes the Kanaka Bar Indian Band government and all related entities which are accountable to the First Nation and are either owned or controlled by the First Nation.

These financial statements consolidate the assets, liabilities and results of operations for the following entities which use accounting principles which lend themselves to consolidation:

- Kanaka Bar Indian Band Operating Fund
- Kanaka Bar Indian Band Social Housing Fund
- Kanaka Bar Indian Band Capital Fund
- Kanaka Bar Indian Band Trust Fund
- Kanaka Bar Indian Band Enterprise Fund

All inter-entity balances have been eliminated on consolidation, but in order to present the results of operations for each specified fund, transactions amongst funds have not necessarily been eliminated on the individual schedules.

Kwioek Creek Resource Inc. an incorporated business entity, which is owned and controlled by the Kanaka Bar Indian Band Council and which is not dependent on the First Nation for its continuing operations, is included in the summary financial statements using the modified equity method.

KANAKA BAR INDIAN BAND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2011

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Capital Assets

Capital assets are expensed at the time of purchase and they are also capitalized at cost on the Balance Sheet.

The acquisition costs of capital assets and payments on capital debt, which are not funded from capital financing sources, are charged to operations and matched with the applicable revenue source in the year of expenditure. These expenditures are also recorded as an addition to assets of the Capital Fund with a corresponding increase in Equity and Capital Assets.

Capital assets are depreciated annually with a resulting reduction of equity in capital assets.

Capital assets acquired as part of the Social Housing Fund and Enterprise Fund are recorded as assets of those funds.

d) Depreciation

Capital assets are recorded and depreciated annually with a corresponding reduction in Equity in Capital Assets. Assets are depreciated over their expected useful life using the straight line method at the following rates:

Domestic water systems	15 years straight-line
Equipment and furniture	5 years straight-line
Computer equipment	5 years straight-line
Software	5 years straight-line
Automobile	5 years straight-line
Buildings	20 years straight-line

Social Housing assets acquired under C.M.H.C. sponsored housing programs are being depreciated in an amount equal to the principal reduction of the mortgages.

e) Revenue Recognition

Revenue is recognized as it becomes receivable under the terms of applicable funding agreements. Funding received under the funding arrangements which relates to a subsequent fiscal period is reflected as deferred revenue in the year of receipt and classified as such on the Balance Sheet.

g) Comparative Figures

The comparative figures have been reclassified to conform with the current year's presentation.

h) Economic Dependence

The Kanaka Bar Indian Band received a major portion of its revenues pursuant to a funding arrangement with Aboriginal Affairs & Northern Development Canada.

KANAKA BAR INDIAN BAND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2011

NOTE 2: CAPITAL ASSETS

	<u>COST</u>	<u>ACCUMULATED</u>	<u>2011</u>	<u>2010</u>
	<u>\$</u>	<u>DEPRECIATION</u>	<u>NET</u>	<u>NET</u>
	\$	\$	\$	\$
Social Housing	862,278	362,405	499,873	535,561
Land	21,353	-	21,353	21,353
Domestic water systems	818,443	818,443	-	-
Equipment and furniture	57,706	50,061	7,645	683
Computer Equipment	24,465	23,691	774	1,467
Software	5,000	5,000	-	-
Automotive	280,243	267,284	12,959	21,300
Building	185,372	19,775	165,597	174,864
	2,254,860	1,546,659	708,201	755,228

Transitional provisions

Effective January 1, 2007, the band adopted Accounting Guideline 7 (PSG-7) of the Public Sector Accounting Handbook of the CICA with respect to the disclosure of tangible capital assets of local governments. PSG-7 provides transitional guidance on presenting information related to tangible capital assets. For year-ends starting after January 1, 2009 Section 3150 – Tangible Capital Assets of the Public Sector Accounting Handbook came into effect.

During 2010, the Band continued to work towards compliance with the new recommendations for accounting for tangible capital assets. As of March 31, 2011, the Band has not yet finalized a listing of individual capital assets and values for the asset classes. The accumulation of data for the disclosure requirements under Section 3150 is currently in progress.

NOTE 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	<u>2011</u>	<u>2010</u>
	<u>\$</u>	<u>\$</u>
KWIOEK CREEK RESOURCES INC. (100%)		
Shares	1	1
Accumulated equity (deficit) in earnings	(92,551)	(9,145)
TOTAL	(92,550)	(9,144)

KANAKA BAR INDIAN BAND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2011

NOTE 4: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES (Continued)

The share is held in trust by Chief James Frank under a trust agreement.

Financial information for the entity for year ending in 2011 is as follows:

	ASSETS \$	LIABILITIES \$	REVENUE \$	NET INCOME (LOSS) \$
Year ended March 31/11 Kwoiek Creek Resources Inc.	10,989	103,409	14,231	(83,276)

NOTE 5: TRUST FUNDS

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the Indian Act. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. The management of these funds is primarily governed by Sections 63 to 69 of the Indian Act.

NOTE 6: LONG-TERM DEBT

	2011 \$	2010 \$
All Nations Trust Company loan, payment of \$2,343.15, per month includ: interest at 1.61% per annum, maturing January 1, 2012, secured by a Mini Guarantee from Aboriginal Affairs & Northern Development Canada	23,260	50,890
All Nations Trust Company loan, payments of \$1,083.04 per month includ: interest at 3.90% per annum, maturing January 1, 2023, secured by a Mini Guarantee from Aboriginal Affairs & Northern Development Canada	123,232	131,290
	146,492	182,180

FUTURE PRINCIPAL REPAYMENTS

The estimated principal payments for the next five years are as follows:

	\$
2012	8,337
2013	8,668
2014	9,012
2015	9,370
2016 and beyond	111,105
	146,492

KANAKA BAR INDIAN BAND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2011

NOTE 7: MEMBERS' EQUITY

	2011 \$	2010 \$
Restricted		
Social Housing Fund	505,671	601,088
Trust Fund	207,749	196,489
Enterprise Fund	(81,330)	2,076
	<hr/> 632,090	<hr/> 799,653
Unrestricted		
Operating Fund	204,340	35,835
Capital Fund	208,328	219,667
	<hr/> 412,668	<hr/> 255,502
TOTAL EQUITY	<hr/> 1,044,758	<hr/> 1,055,155

NOTE 8: REPLACEMENT RESERVE FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Housing Program must set aside funds annually for the non-annual expenditures of the Program for the repair, maintenance and replacement of worn out assets.

These funds are to be held in a separate interest-bearing bank account or term deposit with the interest earned to be credited as revenue to the Replacement Reserve Fund. As at the Balance Sheet date, the fund is underfunded by \$198,113.

NOTE 9: SUBSIDY SURPLUS FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is allowed to set aside an amount of \$500 per housing unit for the purpose of meeting future requirements of income listed occupants over and above the maximum federal assistance.

These funds are to be held in a separate interest-bearing bank account or term deposit with the interest earned to be credited as revenue to the Subsidy Surplus Fund.

KANAKA BAR INDIAN BAND

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2011

NOTE 10: DEFERRED REVENUE

	2011	2010
	\$	\$
Deferred revenue is comprised of the following:		
Watermain Replacement 3551	-	14,658
New on Reserve Housing Approach 7450	-	16,615
Water Treatment Plant Construction 2131	-	90,214
	-	121,487

NOTE 11: COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

KANAKA BAR INDIAN BAND

OPERATING FUND STATEMENT OF FINANCIAL POSITION March 31, 2011

Schedule 1

	2011	2010
	\$	\$
ASSETS		
Cash	34,098	91,394
Accounts receivable	58,200	48,344
Accounts receivable - tobacco	36,723	34,599
Member loans receivable	40,020	41,764
Prepaid expenses	6,023	6,537
Inventory	1,364	783
Due from Fraser Canyon Tribal Administration	22,355	2,443
Due from Kanaka Bar Indian Band Social Housing	36,589	15,929
Due from Kwoiek Creek Resources Inc	89,516	23,828
	324,888	265,621
LIABILITIES		
Accounts payable	95,014	82,951
Deferred revenue	-	121,487
Due to Skuppah Indian Band	25,534	25,348
	120,548	229,786
MEMBERS' EQUITY		
Unrestricted	204,340	35,835
	324,888	265,621

The notes to the financial statements are an integral part thereof.

**KANAKA BAR INDIAN BAND
OPERATING FUND**

Schedule 2

SCHEDULE OF REVENUE, EXPENDITURES AND UNEXPENDED EQUITY BY PROGRAM

For the year ended March 31, 2011

	CURRENT YEAR OPERATIONS										
	REVENUES										
	SCHEDULE #	AANDC REVENUE \$	OTHER REVENUE \$	ALLOCATION		TOTAL REVENUE \$	TOTAL EXPENDITURES \$	EXCESS (DEFICIT) FOR YEAR \$	OPENING EQUITY (DEFICIT) \$	TRANSFERS IN (OUT) \$	ENDING EQUITY \$
				FROM DEFERRED REVENUE \$	TO DEFERRED REVENUE \$						
BAND PROGRAMS											
Band Revenue and Support	3-1	126,019	58,175	-	-	184,194	210,994	(26,800)	(285,874)	2,730	(309,944)
Band Revenue	3-2	-	25,911	-	-	25,911	15,043	10,868	199,839	-	210,707
Indian Registry	3-3	2,554	-	-	-	2,554	2,554	-	-	-	-
Maintenance (O&M)	3-4	53,442	12,742	-	-	66,184	84,843	(18,659)	(119,162)	-	(137,821)
Safe Water Operations Program	3-5	-	-	-	-	-	-	-	-	-	-
HHSS Disengagement	3-6	-	-	-	-	-	18,943	(18,943)	42,466	-	23,523
Mountain Pine Beetle	3-7	-	-	-	-	-	-	-	30,098	-	30,098
Property Taxation	3-8	-	29,756	-	-	29,756	8,839	20,917	152,675	-	173,592
Kwoiek Creek Resources LP	3-9	-	136,500	-	-	136,500	106,340	30,160	-	(6,479)	23,681
Summer Student Workers	3-10	-	-	-	-	-	-	-	(1,031)	-	(1,031)
Trails	3-11	-	-	-	-	-	-	-	-	-	-
2010 Youth Legacy Fund	3-12	-	2,500	-	-	2,500	750	1,750	-	-	1,750
General Project Enhancement	3-13	-	7,500	-	-	7,500	8,388	(888)	-	888	-
ISET	3-14	-	16,011	-	-	16,011	16,011	-	-	-	-
		182,015	289,095	-	-	471,110	472,705	(1,595)	19,011	(2,861)	14,555
EDUCATION											
Elementary/Secondary	3-15	8,106	-	-	-	8,106	7,906	200	20,230	-	20,430
Post Secondary	3-16	91,375	-	-	-	91,375	76,017	15,358	18,203	-	33,561
Private School	3-17	22,728	-	-	-	22,728	18,594	4,134	2,661	-	6,795
New Paths	3-18	-	10,203	-	-	10,203	13,353	(3,150)	8,517	-	5,367
School District Funds	3-19	-	-	-	-	-	-	-	-	-	-
FNESC - Career Fairs	3-20	-	-	-	-	-	-	-	-	-	-
New Relationship Trust	3-21	-	10,125	-	-	10,125	9,108	1,017	(28)	-	989
		122,209	20,328	-	-	142,537	124,978	17,559	49,583	-	67,142

The notes to the financial statements are an integral part thereof.

**KANAKA BAR INDIAN BAND
OPERATING FUND**

Schedule 2 (continued)

SCHEDULE OF REVENUE, EXPENDITURES AND UNEXPENDED EQUITY BY PROGRAM

For the year ended March 31, 2011

CURRENT YEAR OPERATIONS											
REVENUES											
SCHEDULE #	AANDC REVENUE \$	OTHER REVENUE \$	ALLOCATION		TOTAL REVENUE \$	TOTAL EXPENDITURES \$	EXCESS (DEFICIT) FOR YEAR \$	OPENING EQUITY (DEFICIT) \$	TRANSFERS IN (OUT) \$	ENDING EQUITY \$	
			FROM DEFERRED REVENUE \$	TO DEFERRED REVENUE \$							
CAPITAL											
Highway Access Feasibility Study	3-22	8,297	-	-	-	8,297	-	8,297	20,321	-	28,618
IR#1 Subdivision Feasibility 2795	3-23	-	-	-	-	-	-	-	(36,835)	-	(36,835)
IR#1 Water Treatment Plant 2131	3-24	-	-	90,214	-	90,214	-	90,214	-	(90,214)	-
Maintenance Building Site Design	3-25	-	-	-	-	-	-	-	(14,224)	-	(14,224)
New on Reserve Housing 7450	3-26	-	-	16,615	-	16,615	-	16,615	-	-	16,615
Watermain Replacement 3551	3-27	-	-	14,658	-	14,658	-	14,658	-	(14,658)	-
Capital Surplus	3-28	-	-	-	-	-	-	-	-	104,872	104,872
		8,297	-	121,487	-	129,784	-	129,784	(30,738)	-	99,046
HEALTH											
BC Solvent Abuse	3-29	-	1,466	-	-	1,466	146	1,320	12	(1,332)	-
Drinking Water	3-30	-	4,392	-	-	4,392	4,392	-	-	-	-
Mental Health	3-31	-	6,750	-	-	6,750	5,017	1,733	(1,348)	(385)	-
CHP/IP Health	3-32	-	24,172	-	-	24,172	24,522	(350)	378	-	28
Brighter Futures	3-33	-	13,125	-	-	13,125	11,177	1,948	325	(2,273)	-
NNADAP Health	3-34	-	29,743	-	-	29,743	29,025	718	(212)	(506)	-
Fraser Thompson Indian Services	3-35	-	-	-	-	-	-	-	2,730	(2,730)	-
KBIB Community Health Activities	3-36	-	-	-	-	-	-	-	-	4,496	4,496
		-	79,648	-	-	79,648	74,279	5,369	1,885	(2,730)	4,524

The notes to the financial statements are an integral part thereof.

**KANAKA BAR INDIAN BAND
OPERATING FUND**

Schedule 2 (continued)

SCHEDULE OF REVENUE, EXPENDITURES AND UNEXPENDED EQUITY BY PROGRAM

For the year ended March 31, 2011

	CURRENT YEAR OPERATIONS										
	REVENUES										
	SCHEDULE #	AANDC REVENUE \$	OTHER REVENUE \$	ALLOCATION		TOTAL REVENUE \$	TOTAL EXPENDITURES \$	EXCESS (DEFICIT) \$	OPENING EQUITY (DEFICIT) \$	TRANSFERS IN (OUT) \$	ENDING EQUITY \$
				FROM DEFERRED REVENUE \$	TO DEFERRED REVENUE \$						
SOCIAL DEVELOPMENT											
Social Assistance - Basic Needs	3-37	73,000	-	-	-	73,000	56,591	16,409	5,173	-	21,582
Guardian Financial Assistance	3-38	4,836	-	-	-	4,836	4,832	4	(889)	-	(885)
Special Needs	3-39	5,212	-	-	-	5,212	5,384	(172)	(3,990)	-	(4,162)
Service Delivery	3-40	21,705	-	-	-	21,705	23,354	(1,649)	5,137	-	3,488
In Home Care	3-41	9,895	-	-	-	9,895	9,895	-	(4,294)	-	(4,294)
Service Delivery - In Home Care	3-42	1,746	-	-	-	1,746	509	1,237	284	-	1,521
National Child Benefit	3-43	21,162	-	-	-	21,162	17,793	3,369	-	(888)	2,481
Employment and Training	3-44	3,588	-	-	-	3,588	5,095	(1,507)	-	-	(1,507)
Family Violence - Prevention	3-45	2,777	-	-	-	2,777	3,080	(303)	1,152	-	849
		143,921	-	-	-	143,921	126,533	17,388	2,573	(888)	19,073
ECONOMIC DEVELOPMENT											
Economic Development	3-46	11,105	-	-	-	11,105	11,105	-	-	-	-
Kwoiek Hydro Project	3-47	-	-	-	-	-	-	-	(6,479)	-	(6,479)
		11,105	-	-	-	11,105	11,105	-	(6,479)	6,479	-
TOTAL		467,547	389,071	121,487	-	978,105	809,600	168,505	35,835	-	204,340

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

BAND REVENUE AND SUPPORT FUND For the year ended March 31, 2011

Schedule 3-1

	2011	2010	
	Budget	Actual	
	\$	\$	
REVENUE			
Indian and Northern Affairs Canada (1011)	-	126,019	127,357
Other	-	58,175	58,757
	-	184,194	186,114
EXPENDITURES			
Equipment lease	-	6,266	4,561
Honoraria	-	4,000	4,350
Insurance	-	20,236	14,561
Materials and supplies	-	7,247	5,811
Office and miscellaneous	-	7,344	1,993
Professional fees	-	21,564	20,284
Rent	-	6,000	-
Repairs and maintenance	-	252	9,662
Wages and benefits	-	129,034	157,819
Telephone	-	2,801	5,661
Travel	-	6,250	7,000
	-	210,994	231,702
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(26,800)	(45,588)
OPENING EQUITY (DEFICIT)		(285,874)	(240,286)
Transfers in (out)		2,730	-
EQUITY (DEFICIT) AT END OF YEAR		(309,944)	(285,874)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

BAND REVENUE
For the year ended March 31, 2011

Schedule 3-2

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Interest	-	7	1,043
Rental	-	1,800	2,800
Administration - Kwoiek Creek Resources Limited Partnership	-	-	103,000
Tobacco sales	-	14,219	358
Other income	-	9,885	19,360
	-	25,911	126,561
EXPENDITURES			
Office and miscellaneous	-	3,448	1,000
Tobacco purchases	-	9,515	3,726
Wages and benefits	-	2,080	745
	-	15,043	5,471
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	10,868	121,090
OPENING EQUITY (DEFICIT)		199,839	(94,843)
Transfers in (out)		-	173,592
EQUITY (DEFICIT) AT END OF YEAR		210,707	199,839

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

INDIAN REGISTRY
For the year ended March 31, 2011

Schedule 3-3

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
Indian and Northern Affairs Canada (2057)	-	2,554	1,481
<hr/>			
EXPENDITURES			
Office and miscellaneous	-	87	131
Salaries and benefits	-	2,206	1,350
Travel	-	261	-
<hr/>			
	-	2,554	1,481
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
<hr/>			
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

MAINTENANCE (O & M)
For the year ended March 31, 2011

Schedule 3-4

	2011	2010	
	Budget	Actual	
	\$	\$	
REVENUE			
Indian and Northern Affairs Canada			
- Municipal services (4269)	-	11,852	5,139
- Roads and bridges (4267)	-	25,942	25,627
- Train - Fire Protection (4273)	-	1,140	1,140
- Water Systems (4211)	-	14,508	14,161
House maintenance	-	-	3,759
School District 74 - bus funds	-	12,742	-
	-	66,184	49,826
EXPENDITURES			
Disposal	-	125	4,576
License, dues and fees	-	12,812	10,312
Loan payments - vehicle	-	-	14,271
Office and miscellaneous	-	-	15
Repairs and maintenance	-	7,647	5,796
Roads and bridges	-	5,249	5,478
Subcontract	-	1,551	1,144
Supplies	-	3,165	10,424
Travel	-	1,274	-
Utilities	-	4,853	2,499
Vehicle operations	-	2,573	6,979
Wages and benefits	-	41,327	26,479
Water systems maintenance	-	4,267	3,469
	-	84,843	91,442
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(18,659)	(41,616)
OPENING EQUITY (DEFICIT)		(119,162)	(77,546)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		(137,821)	(119,162)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SAFE WATER OPERATIONS PROGRAM For the year ended March 31, 2011

Schedule 3-5

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
Indian and Northern Affairs Canada (4525)	-	-	15,600
<hr/>			
EXPENDITURES			
Wages and benefits	-	-	15,600
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

HHSS DISENGAGEMENT
For the year ended March 31, 2011

Schedule 3-6

	2011	2010
	Budget	Actual
	\$	\$
REVENUE	-	-
EXPENDITURES		
Contracted services	-	14,690
Professional fees	-	2,468
Supplies	-	109
Travel	-	1,676
	-	18,943
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	(18,943)
OPENING EQUITY (DEFICIT)		55,744
Transfers in (out)		-
EQUITY (DEFICIT) AT END OF YEAR		23,523

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

MOUNTAIN PINE BEETLE
For the year ended March 31, 2011

Schedule 3-7

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE	-	-	-
<hr/>			
EXPENDITURES	-	-	-
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		30,098	30,098
Transfer in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		30,098	30,098

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

PROPERTY TAXATION
For the year ended March 31, 2011

Schedule 3-8

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
BC Hydro	-	14,184	14,184
Interest	-	-	-
Taxation	-	15,572	25,190
	-	29,756	39,374
EXPENDITURES			
Bad debts	-	-	500
Bank charges and interest	-	1,122	3,253
Honoraria	-	-	1,200
Land assessments	-	-	703
Materials and supplies	-	-	1,557
Travel	-	450	8,404
Wages and benefits	-	7,267	12,050
	-	8,839	27,667
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	20,917	11,707
OPENING EQUITY (DEFICIT)		152,675	140,968
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		173,592	152,675

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

KWOIEK CREEK RESOURCES LIMITED PARTNERSHIP
For the year ended March 31, 2011

Schedule 3-9

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
KCRLP	-	136,500	-
EXPENDITURES			
Contracted services	-	73,180	-
Repairs and maintenance	-	284	-
Supplies	-	765	-
Travel	-	2,014	-
Vehicle	-	1,608	-
Wages and benefits	-	28,489	-
	-	106,340	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	30,160	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		(6,479)	-
EQUITY (DEFICIT) AT END OF YEAR		23,681	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SUMMER STUDENT WORKERS
For the year ended March 31, 2011

Schedule 3-10

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE	-	-	-
<hr/>			
EXPENDITURES			
Wages and benefits	-	-	1,031
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	(1,031)
OPENING EQUITY (DEFICIT)		(1,031)	-
Transfers in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		(1,031)	(1,031)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

TRAILS

For the year ended March 31, 2011

Schedule 3-11

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Other income	-	-	4,300
EXPENDITURES			
Materials and supplies	-	-	300
Wages and benefits	-	-	4,000
	-	-	4,300
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)			
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

2010 YOUTH LEGACY FUND
For the year ended March 31, 2011

Schedule 3-12

	2011	2010
	Budget	Actual
	\$	\$
REVENUE		
Aboriginal Youth Sport Legacy Fund	-	2,500
		-
EXPENDITURES		
Supplies	-	750
		-
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	1,750
OPENING EQUITY (DEFICIT)		-
Transfers in (out)		-
		-
EQUITY (DEFICIT) AT END OF YEAR		1,750
		-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

GENERAL PROJECT ENHANCEMENT For the year ended March 31, 2011

Schedule 3-13

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
BC Association of Aboriginal Friendship Centres	-	7,500	-
<hr/>			
EXPENDITURES			
Capital acquisition	-	8,388	-
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(888)	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		888	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

ISET
For the year ended March 31, 2011

Schedule 3-14

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Interior Salish Employment Training Society	-	15,475	-
Other	-	536	-
	-	16,011	-
EXPENDITURES			
License, dues and fees	-	3,627	-
Wages and benefits	-	12,384	-
	-	16,011	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

EDUCATION - ELEMENTARY/SECONDARY
For the year ended March 31, 2011

Schedule 3-15

	2011	2010	
	Budget	Actual	
	\$	\$	
REVENUE			
Indian and Northern Affairs Canada			
- Ancillary Services (2126)	-	3,520	3,960
- Financial Assistance Allowance (2138)	-	1,210	1,870
- Guidance and Counselling (2139)	-	2,144	2,412
- Comprehensive Education Support Services (2141)	-	1,232	1,386
	-	8,106	9,628
EXPENDITURES			
Allowance	-	1,410	1,070
Wages and benefits	-	5,000	-
Supplies	-	1,005	3,275
Tuition	-	-	935
Travel	-	491	151
	-	7,906	5,431
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	200	4,197
OPENING EQUITY (DEFICIT)		20,230	16,033
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		20,430	20,230

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

EDUCATION - POST SECONDARY
For the year ended March 31, 2011

Schedule 3-16

	2011	2010
	Budget	Actual
	\$	\$
REVENUE		
Indian and Northern Affairs Canada (2270)	-	91,375
		60,876
EXPENDITURES		
Allowances	-	39,341
Supplies	-	3,710
Travel	-	2,396
Tuition	-	24,988
Wages and benefits	-	5,582
		-
	-	76,017
		50,576
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	15,358
		10,300
OPENING EQUITY (DEFICIT)		18,203
		7,903
Transfers in (out)		-
		-
EQUITY (DEFICIT) AT END OF YEAR		33,561
		18,203

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

PRIVATE SCHOOL
For the year ended March 31, 2011

Schedule 3-17

	Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
Indian and Northern Affairs Canada (2127)	-	22,728	15,236
EXPENDITURES			
Tuition	-	18,594	17,787
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	4,134	(2,551)
OPENING EQUITY (DEFICIT)		2,661	5,212
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		6,795	2,661

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

NEW PATHS
For the year ended March 31, 2011

Schedule 3-18

	Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
First Nations Education Steering Committee	-	10,203	9,012
EXPENDITURES			
Supplies	-	557	92
Tuition	-	9,200	-
Wages and benefits	-	3,596	10,597
	-	13,353	10,689
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(3,150)	(1,677)
OPENING EQUITY (DEFICIT)		8,517	10,194
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		5,367	8,517

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SCHOOL DISTRICT FUNDS
For the year ended March 31, 2011

Schedule 3-19

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
School District #74 - Bus Funds	-	-	3,922
<hr/>			
EXPENDITURES			
Wages and benefits	-	-	3,922
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

FNESC - CAREER FAIRS
For the year ended March 31, 2011

Schedule 3-20

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
First Nations Education Steering Committee	-	-	5,000
<hr/>			
EXPENDITURES			
Career fair and field trip initiative	-	-	5,000
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

NEW RELATIONSHIP TRUST
For the year ended March 31, 2011

Schedule 3-21

	2011		
	Budget	Actual	2010
	\$	\$	Actual
			\$
REVENUE			
Other income	-	10,125	10,320
<hr/>			
EXPENDITURES			
Supplies	-	1,281	1,794
Travel	-	-	1,521
Vehicle expenses	-	-	107
Wages and benefits	-	7,827	7,903
<hr/>			
	-	9,108	11,325
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	1,017	(1,005)
OPENING EQUITY (DEFICIT)		(28)	977
Transfers in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		989	(28)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

HIGHWAY ACCESS FEASIBILITY STUDY 4502
For the year ended March 31, 2011

Schedule 3-22

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Indian and Northern Affairs Canada	-	8,297	7,610
Allocation from deferred revenue	-	-	16,370
Allocation to deferred revenue	-	-	-
	-	8,297	23,980
EXPENDITURES			
Engineering fees	-	-	3,659
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	8,297	20,321
OPENING EQUITY (DEFICIT)		20,321	-
Transfer in (out)		-	-
EQUITY (DEFICIT) END OF THE YEAR		28,618	20,321

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

IR#1 SUBDIVISION EXTENSION FEASIBILITY 2795
For the year ended March 31, 2011

Schedule 3-23

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE	-	-	-
<hr/>			
EXPENDITURES	-	-	-
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		(36,835)	(36,835)
Transfer in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		(36,835)	(36,835)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

IR#1 WATER TREATMENT PLANT CONSTRUCTION 2131
For the year ended March 31, 2011

Schedule 3-24

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Allocation from deferred revenue	-	90,214	263,806
Deferred revenue, end of year	-	-	(90,214)
	-	90,214	173,592
EXPENDITURES			
Supplies	-	-	173,592
	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	90,214	-
OPENING EQUITY (DEFICIT)			
Transfers in (out)		(90,214)	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

MAINTENANCE BUILDING SITE DESIGN
For the year ended March 31, 2011

Schedule 3-25

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE	-	-	-
<hr/>			
EXPENDITURES	-	-	-
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		(14,224)	(14,224)
Transfer in (out)		-	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		(14,224)	(14,224)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

NEW ON RESERVE HOUSING 7450
For the year ended March 31, 2011

Schedule 3-26

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Allocation from deferred revenue	-	16,615	16,615
Allocation to deferred revenue	-	-	(16,615)
	-	16,615	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	16,615	-
OPENING EQUITY (DEFICIT)		-	(10,194)
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		16,615	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

WATERMAIN REPLACEMENT 3551
For the year ended March 31, 2011

Schedule 3-27

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Allocation from deferred revenue	-	-	(14,658)
Allocation to deferred revenue	-	14,658	14,658
	-	14,658	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	14,658	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		(14,658)	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

CAPITAL SURPLUS
For the year ended March 31, 2011

Schedule 3-28

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE	-	-	-
<hr/>			
EXPENDITURES	-	-	-
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)	-	104,872	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR	-	104,872	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

BC SOLVENT ABUSE
For the year ended March 31, 2011

Schedule 3-29

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Fraser Canyon Health	-	1,466	733
<hr/>			
EXPENDITURES			
Administration	-	146	73
Contracted services	-	-	648
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	1,320	12
OPENING EQUITY (DEFICIT)		12	-
Transfer in (out)		(1,332)	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR	-	-	12

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

DRINKING WATER
For the year ended March 31, 2011

Schedule 3-30

	Budget	2011	Actual	2010
	\$		\$	Actual
				\$
REVENUE				
Fraser Canyon Health	-		4,392	2,228
<hr/>				
EXPENDITURES				
Administration fees	-		439	223
Wages and benefits	-		3,953	2,005
<hr/>				
	-		4,392	2,228
<hr/>				
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-		-	-
<hr/>				
OPENING EQUITY (DEFICIT)			-	-
Transfer in (out)			-	-
<hr/>				
EQUITY (DEFICIT) AT END OF YEAR	-		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

MENTAL HEALTH
For the year ended March 31, 2011

Schedule 3-31

	2011	2010
	Budget	Actual
	\$	\$
REVENUE		
Fraser Canyon Health	-	6,750
		3,375
EXPENDITURES		
Administration fees	-	675
Contracted services	-	2,685
Supplies	-	1,657
	-	5,017
		4,723
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	1,733
		(1,348)
OPENING EQUITY (DEFICIT)		(1,348)
		-
Transfer in (out)		(385)
		-
EQUITY (DEFICIT) AT END OF YEAR	-	-
		(1,348)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

CHP/IP HEALTH
For the year ended March 31, 2011

Schedule 3-32

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Fraser Canyon Health	-	24,172	12,086
EXPENDITURES			
Administration fees	-	2,417	1,209
Contracted services	-	-	400
Licence, dues and fees	-	-	85
Office and miscellaneous	-	638	1,550
Supplies	-	636	678
Travel	-	3,980	1,492
Wages and benefits	-	16,851	6,294
	-	24,522	11,708
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(350)	378
OPENING EQUITY (DEFICIT)		378	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	28	378

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

BRIGHTER FUTURES
For the year ended March 31, 2011

Schedule 3-33

	2011	2010	
	Budget	Actual	
	\$	\$	
REVENUE			
Fraser Canyon Health	-	13,125	6,563
EXPENDITURES			
Administration fees	-	1,312	656
Donations	-	-	300
Kids' activities	-	-	4,702
Supplies	-	1,258	580
Salaries and benefits	-	7,407	-
Rent	-	1,200	-
	-	11,177	6,238
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	1,948	325
OPENING EQUITY (DEFICIT)		325	-
Transfers in (out)		(2,273)	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	325

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

NNADAP HEALTH
For the year ended March 31, 2011

Schedule 3-34

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Fraser Canyon Health	-	29,743	14,872
EXPENDITURES			
Administration fees	-	3,574	1,487
Capital acquisitions	-	-	1,105
Contracted services	-	1,825	450
Licence, dues and fees	-	-	50
Nutrition	-	75	1,306
NNADAP	-	-	350
Rent	-	1,200	-
Supplies	-	1,500	2,542
Travel	-	910	1,255
Wages and benefits	-	19,941	6,539
	-	29,025	15,084
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	718	(212)
OPENING EQUITY (DEFICIT)		(212)	-
Transfers in (out)		(506)	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	(212)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

FRASER THOMPSON INDIAN SERVICES SOCIETY
For the year ended March 31, 2011

Schedule 3-35

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE			
Fraser Thompson Indian Services Society	-	-	13,500
<hr/>			
EXPENDITURES			
Wages and benefits	-	-	9,349
<hr/>			
	-	-	10,700
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	2,800
OPENING EQUITY (DEFICIT)		2,730	(70)
Transfers in (out)		(2,730)	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		-	2,730

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

KBIB Community Health Activities
For the year ended March 31, 2011

Schedule 3-36

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE	-	-	-
<hr/>			
EXPENDITURES	-	-	-
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		4,496	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		4,496	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SOCIAL ASSISTANCE - BASIC NEEDS For the year ended March 31, 2011

Schedule 3-37

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Indian and Northern Affairs Canada (2305)	-	73,000	110,262
- Prior year (recoveries)	-	-	(4,860)
	-	73,000	105,402
EXPENDITURES			
Basic Needs	-	34,008	47,042
Shelter	-	22,583	46,210
	-	56,591	93,252
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	16,409	12,150
OPENING EQUITY (DEFICIT)		5,173	(6,977)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		21,582	5,173

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

GUARDIAN FINANCIAL ASSISTANCE For the year ended March 31, 2011

Schedule 3-38

	Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
Indian and Northern Affairs Canada (2307)	-	4,836	2,067
- Prior year (recoveries)	-	-	792
	-	4,836	2,859
EXPENDITURES			
Guardian financial assistance	-	4,832	2,956
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	4	(97)
OPENING EQUITY (DEFICIT)		(889)	(792)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		(885)	(889)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SPECIAL NEEDS

For the year ended March 31, 2011

Schedule 3-39

	Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
Indian and Northern Affairs Canada (2320)	-	5,212	5,244
- Prior year (recoveries)	-	-	(99)
	-	5,212	5,145
EXPENDITURES			
Special needs	-	5,384	5,635
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(172)	(490)
OPENING EQUITY (DEFICIT)		(3,990)	(3,500)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		(4,162)	(3,990)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SERVICE DELIVERY
For the year ended March 31, 2011

Schedule 3-40

	2011	2010
	Budget	Actual
	\$	\$
REVENUE		
Indian and Northern Affairs Canada (2330)	-	21,705
		21,705
EXPENDITURES		
Salaries and benefits	-	21,509
Service delivery expenses	-	756
Travel	-	1,089
	-	23,354
		25,251
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(1,649)
		(3,546)
OPENING EQUITY (DEFICIT)		5,137
		8,683
Transfers in (out)		-
		-
EQUITY (DEFICIT) AT END OF YEAR		3,488
		5,137

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

IN HOME CARE
For the year ended March 31, 2011

Schedule 3-41

	2011	2010	
	Budget \$	Actual \$	Actual \$
REVENUE			
Indian and Northern Affairs Canada (2395)	-	9,895	10,038
- Prior year (recoveries)	-	-	(4,595)
	-	9,895	5,443
EXPENDITURES			
Adult care	-	9,176	10,036
Honorarium	-	200	-
Travel	-	519	-
	-	9,895	10,036
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	(4,593)
OPENING EQUITY (DEFICIT)		(4,294)	299
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		(4,294)	(4,294)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SERVICE DELIVERY - IN HOME CARE For the year ended March 31, 2011

Schedule 3-42

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Indian and Northern Affairs Canada (2399)	-	1,746	1,771
EXPENDITURES			
Miscellaneous	-	509	4,321
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	1,237	(2,550)
OPENING EQUITY (DEFICIT)		284	2,834
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		1,521	284

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

NATIONAL CHILD BENEFIT For the year ended March 31, 2011

Schedule 3-43

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Indian and Northern Affairs Canada (2440)	-	21,162	23,260
EXPENDITURES			
Administration	-	2,000	-
Donations	-	-	600
National Child Benefit	-	11,849	19,038
Supplies	-	1,809	450
Wages and benefits	-	2,135	3,172
	-	17,793	23,260
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	3,369	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		(888)	-
EQUITY (DEFICIT) AT END OF YEAR		2,481	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

EMPLOYMENT AND TRAINING For the year ended March 31, 2011

Schedule 3-44

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Indian and Northern Affairs Canada (2308)	-	3,588	2,622
EXPENDITURES			
Employment and training	-	5,095	2,622
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(1,507)	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		(1,507)	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

FAMILY VIOLENCE - PREVENTION PROJECT For the year ended March 31, 2011

Schedule 3-45

	Budget \$	2011 Actual \$	2010 Actual \$
REVENUE			
Indian and Northern Affairs Canada (2420)	-	2,777	2,777
EXPENDITURES			
Contracted services	-	2,200	558
Donations	-	-	300
Supplies	-	880	767
	-	3,080	300
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(303)	1,152
OPENING EQUITY (DEFICIT)		1,152	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		849	1,152

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

ECONOMIC DEVELOPMENT
For the year ended March 31, 2011

Schedule 3-46

	2011	2010	
	Budget	Actual	
	\$	\$	
REVENUE			
Indian and Northern Affairs Canada (4180)	-	11,105	10,884
EXPENDITURES			
License, dues and fees	-	86	-
Roads and bridges	-	-	40
Subcontract	-	1,080	400
Training	-	3,517	-
Travel	-	2,145	-
Wages and benefits	-	4,277	10,444
	-	11,105	10,884
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

KWOIEK HYDRO PROJECT
For the year ended March 31, 2011

Schedule 3-47

	2011		2010
	Budget	Actual	Actual
	\$	\$	\$
REVENUE	-	-	-
<hr/>			
EXPENDITURES	-	-	-
<hr/>			
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		(6,479)	(6,479)
Transfers in (out)		6,479	-
<hr/>			
EQUITY (DEFICIT) AT END OF YEAR		-	(6,479)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND SCHEDULE OF FINANCIAL POSITION March 31, 2011

Schedule 4

	2011	2010
	\$	\$
ASSETS		
Cash	384	23,009
Accounts receivable - renters	10,826	1,604
Canada Mortgage and Housing Corporation interest subsidy receivable	169,053	124,959
Cash - Replacement Reserve Fund (Note 8)	-	9
Capital assets (Note 2)	499,873	535,561
	680,136	685,142
LIABILITIES		
Accounts payable	4,970	2,401
Accrued mortgage interest payable	437	652
Due to Kanaka Bar Indian Band	22,566	15,929
Long-term debt (Note 6)	146,492	182,180
	174,465	201,162
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	(45,823)	58,554
Replacement Reserve Fund (Note 8)	198,113	189,153
Equity in Housing Facilities	353,381	353,381
	505,671	601,088
	680,136	802,250

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND SCHEDULE OF REVENUE AND EXPENDITURES - OPERATING March 31, 2011

Schedule 5

	Budget	2011 Actual	2010 Actual
	\$	\$	\$
REVENUE			
Rental income	-	67,272	72,218
Canada Mortgage & Housing Corporation interest subsidy	-	18,559	23,755
	-	85,831	95,973
EXPENDITURES			
Operating costs			
Garbage	-	1,742	2,600
Insurance	-	13,454	11,884
Repairs and maintenance	-	75	4,401
	-	15,271	18,885
Administration costs			
Administration fees	-	4,138	8,346
Professional fees	-	2,570	2,410
	-	6,708	10,756
Amortization costs			
Mortgage interest	-	5,269	8,004
Mortgage principal repayments	-	35,688	48,963
	-	40,957	56,967
Reserves			
Appropriations to Replacement Reserve Fund	-	10,164	10,497
	-	73,100	97,105
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	12,731	(1,132)
OPENING EQUITY (DEFICIT)	-	(58,554)	(57,422)
EQUITY (DEFICIT) AT END OF THE YEAR	-	(45,823)	(58,554)

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND SCHEDULE OF REVENUE AND EXPENDITURES REPLACEMENT RESERVE (NOTE 7) March 31, 2011

Schedule 6

	2011	2010
	\$	\$
REVENUE		
Appropriations from the Operating Fund	10,164	10,497
EXPENDITURES		
Repairs and maintenance	1,204	1,828
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	8,960	8,669
EQUITY (DEFICIT) AT THE BEGINNING OF THE YEAR	189,153	180,484
EQUITY (DEFICIT) AT THE END OF THE YEAR	198,113	189,153

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

CAPITAL FUND SCHEDULE OF FINANCIAL POSITION March 31, 2011

Schedule 7

	2011	2010
	\$	\$
ASSETS (Note 2)		
Automotive	12,959	21,300
Buildings	165,597	174,864
Capital Water Project	-	-
Computer equipment	774	1,467
Equipment and furniture	7,645	683
Land	21,353	21,353
	208,328	219,667
LIABILITIES AND EQUITY		
Members' Equity	208,328	219,667
	208,328	219,667

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

CAPITAL FUND SCHEDULE OF CHANGES IN EQUITY March 31, 2011

Schedule 8

	2011 \$	2010 \$
ADDITIONS		
Matured phases transferred from Social Housing	-	178,650
Capital outlays/principal reduction	8,388	15,060
	8,388	193,710
LESS		
Depreciation of capital assets	19,727	76,068
	(11,339)	117,642
OPENING EQUITY (DEFICIT)	219,667	102,025
EQUITY (DEFICIT) AT THE END OF YEAR	208,328	219,667

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

TRUST FUND SCHEDULE OF FINANCIAL POSITION March 31, 2011

Schedule 9

	2011	2010
	\$	\$
ASSETS (Note 5)		
Cash in Ottawa Trust Funds	207,749	196,489
<hr/>		
LIABILITIES AND EQUITY		
Equity in Ottawa Trust Funds	207,749	196,489
<hr/>		

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

TRUST FUND

Schedule 10

SCHEDULE OF CHANGE IN EQUITY IN OTTAWA TRUST FUNDS

March 31, 2011

	2011	2010
	\$	\$
ADDITIONS		
Interest earned	7,204	10,797
BC special	521	519
Canadian Pacific Railway Company	3,535	3,401
	<hr/> 11,260	14,717
OPENING EQUITY (DEFICIT)	<hr/> 196,489	181,772
	<hr/>	<hr/>
EQUITY (DEFICIT) AT THE END OF YEAR	<hr/> 207,749 <hr/>	<hr/> 196,489 <hr/>

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

ENTERPRISE FUND SCHEDULE OF FINANCIAL POSITION March 31, 2011

Schedule 11

	2011 \$	2010 \$
ASSETS		
Investment in All Nations Trust Company	11,220	11,220
	11,220	11,220
LIABILITIES AND EQUITY		
Investments, Loans and Advances to First Nation Controlled Entities (Note 3)	92,550	9,144
MEMBERS' EQUITY	(81,330)	2,076
	11,220	11,220

The notes to the financial statements are an integral part thereof.

KANAKA BAR INDIAN BAND

ENTERPRISE FUND STATEMENT OF OPERATIONS AND CHANGES IN EQUITY March 31, 2011

Schedule 12

	2011	2010
	\$	\$
REVENUES		
Share of Net Income (Loss) for the year:		
Kwoiek Creek Resources Inc	(83,406)	(45,024)
EXPENDITURES	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	(83,406)	(45,024)
OPENING EQUITY (DEFICIT)	2,076	47,100
EQUITY (DEFICIT) AT THE END OF YEAR	(81,330)	2,076

The notes to the financial statements are an integral part thereof.

AUDITORS' REPORT

**TO: THE MEMBERS OF THE
KANAKA BAR INDIAN BAND**

We have audited the consolidated financial statements of Kanaka Bar Indian Band as at March 31, 2011, and for the year then ended.

A Schedule of Salaries, Honoraria, Travel Expenses and Other Remuneration (Schedule) is required to be presented to the membership of Kanaka Bar Indian Band pursuant to the funding agreement between Indian and Northern Affairs Canada and Kanaka Bar Indian Band from their records. For the purposes of understanding our involvement with this schedule, please note that:

- We have audited and separately reported on the summary financial statements;
- Our audit was conducted for the purposes of forming an opinion on the summary financial statements taken as a whole;
- The attached schedule is presented for the purpose of forming an opinion for the Membership and the Department of Indian Affairs and does not form part of the summary financial statements; and
- The schedule has been subjected to the auditing procedures applied to the audit of the summary financial statements taken as a whole.

During the course of the aforementioned audit, we encountered no discrepancies on this Schedule. However, no procedures have been carried out on this Schedule in addition to those necessary to form an opinion on the consolidated financial statements.

This report has been prepared in accordance with the applicable Assurance and Related Services Guideline issued by the C.I.C.A.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

JUNE 5, 2012
RICHMOND, B.C.