KANAKA BAR INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2009

KANAKA BAR INDIAN BAND
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For the Year Ended March 31, 2009

KANAKA BAR INDIAN BAND

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Kanaka Bar Indian Band

KANAKA BAR INDIAN BAND

March 31, 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Kanaka Bar Indian Band are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The First Nation Council reviews the Nation's financial statements and recommends their approval. The First Nation Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review, the financial statements and the external auditor's report. The First Nation Council also reviews and considers for approval by the Members, the engagement of the external auditors.

The financial statements have been audited by Reid Hurst Nagy Inc., Certified General Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc. has full and free access to the First Nation Council.

__________________________ Chief   __________________________ Councilor

__________________________ Date

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REIDHURSTNAGYINC.
CERTIFIED GENERAL ACCOUNTANTS

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AUDITORS' REPORT

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

We have audited the summary statement of financial position of Kanaka Bar Indian Band as at March 31, 2009 and the summary statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the First Nation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian 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 First Nation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Reid Hurst Nagy Inc

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

JULY 20, 2009
RICHMOND, B.C.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF FINANCIAL POSITION **Statement 1**
March 31, 2009

	2009 $	2008 $
ASSETS		
Cash	**174,287**	129,828
Restricted cash	**181,781**	174,381
Accounts receivable	**87,060**	26,339
Accounts receivable - renters	**116,657**	87,267
Accounts receivable - tobacco	**33,730**	32,902
Member loans receivable	**42,380**	45,636
Property taxes receivable	**500**	23,408
Prepaid expenses	**5,759**	2,272
Inventory	**3,524**	2,872
Due from Kwoiek Creek Resources Inc.	**26,237**	-
Due from Fraser Canyon Tribal Administration	**2,443**	2,443
Capital assets (Note 1c, 2)	**879,154**	1,018,162
Investment in All Nations Trust Company	**11,220**	11,220
Investment in First Nation Controlled Entities (Note 3)	**35,880**	11,396
	1,600,612	1,568,126
LIABILITIES		
Accounts payable	**230,431**	49,696
Deferred revenue (Note 9)	**311,449**	327,741
Due to Kwoiek Creek Resources Inc.	**-**	4,415
Due to Skuppah Indian Band	**28,666**	27,060
Long-term debt (Note 5)	**245,099**	315,193
	815,645	724,105
MEMBERS' EQUITY (Note 6)		
Restricted	**883,965**	838,474
Unrestricted	**(98,998)**	5,547
	784,967	844,021
	1,600,612	1,568,126

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 FINANCIAL POSITION — Statement 1
March 31, 2009

	2009 $	2008 $
ASSETS		
Cash	**174,287**	129,828
Restricted cash	**181,781**	174,381
Accounts receivable	**87,060**	26,339
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Restricted	**883,965**	838,474
Unrestricted	**(98,998)**	5,547
	784,967	844,021
	1,600,612	1,568,126

APPROVED ON BEHALF OF
THE KANAKA BAR INDIAN BAND

Original Signed by James Frank
______________________ Chief

Original Signed by Evelyn Michell
______________________ Councilor

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

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF OPERATIONS

Statement 2

For the year ended March 31, 2009

	2009 $	2008 $
REVENUE		
Indian and Northern Affairs Canada	**653,370**	408,592
Allocation from deferred revenue	**327,741**	355,527
Central Interior First Nations	**10,000**	38,829
Enterprise Fund	**24,484**	(194,862)
First Nations Education Steering Committee	**24,244**	10,057
Government of Canada	**45,967**	63,914
Interest Income	**29,187**	38,175
Miscellaneous income	**123,669**	81,133
Ottawa Trust Funds	**7,400**	10,991
Rental income	**79,739**	78,096
Work Opportunities Program	**-**	35,822
	1,325,801	926,274
EXPENDITURES		
Allocation to deferred revenue	**311,449**	327,741
Bad debts	**23,408**	-
Bank charges	**1,467**	139
Community development	**-**	30,215
Contracted services	**217,927**	85,903
Education expenses	**80,729**	58,523
Equipment purchases/rentals	**21,666**	64,069
HHSS disengagement	**-**	10,010
Honoraria	**12,175**	7,575
Insurance	**10,450**	15,720
Office and miscellaneous	**23,663**	28,804
Professional fees	**19,345**	19,046
Program costs	**5,487**	17,108
Rent	**21,075**	-
Repairs and maintenance	**29,657**	17,412
Salaries, wages and benefits	**208,705**	242,819
Social assistance	**139,779**	136,967
Social Housing	**105,873**	104,503
Supplies	**36,765**	22,905
Telephone and utilities	**18,776**	8,967
Training	**3,764**	2,713
Travel	**13,837**	11,731
Vehicle	**9,944**	11,093
	1,315,941	1,223,963
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**9,860**	(297,689)

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

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF CASH FLOW

March 31, 2009 **Statement 3**

	2009 $	2008 $
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenditures	**9,860**	(297,689)
Non-operating items:		
Share of income (loss) of First Nation Controlled Entities	**(24,484)**	194,862
Adjustment for Capital and Investment Transactions included in Operations:		
Principal repayment on long term debt	**54,139**	51,491
Changes in non-cash operating net assets	**66,483**	(26,595)
	105,998	(77,931)
FINANCING ACTIVITIES		
Repayment of Social Housing and Capital Funds long-term debt	**(54,139)**	(51,491)
INVESTING ACTIVITIES		
Purchase of capital assets	**-**	(43,205)
CHANGE IN CASH DURING YEAR	**51,859**	(172,627)
CASH, BALANCE BEGINNING OF YEAR	**304,209**	476,836
CASH, BALANCE END OF YEAR	**356,068**	304,209
REPRESENTED BY:		
Cash	**174,287**	129,828
Restricted Cash	**181,781**	174,381
	356,068	304,209

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

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.

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.

NOTE 2: CAPITAL ASSETS

	COST $	ACCUMULATED DEPRECIATION $	2009 NET $	2008 NET $
Social Housing	1,298,583	535,409	**763,174**	817,313
Land	21,353	-	**21,353**	21,353
Domestic water systems	818,443	782,677	**35,766**	71,530
Equipment and furniture	49,318	48,048	**1,270**	1,857
Computer Equipment	23,360	22,416	**944**	1,416
Software	5,000	5,000	**-**	-
Automotive	280,243	227,293	**52,950**	100,660
Building	6,722	3,025	**3,697**	4,033
	2,503,022	1,623,868	**879,154**	1,018,162

NOTE 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	2009 $	2008 $
KWIOEK CREEK RESOURCES INC. (100%)		
Shares	**1**	1
Accumulated equity in earnings	**35,879**	11,395
TOTAL	**35,880**	11,396

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

Financial information for the entity for year ending in 2009 is as follows:

	ASSETS $	LIABILITIES $	REVENUE $	NET INCOME (LOSS) $
Year ended March 31/09				
Kwoiek Creek Resources Inc.	**62,864**	**26,984**	**220,386**	**24,484**

NOTE 4: 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 5: LONG-TERM DEBT

	2009 $	**2008 $**
All Nations Trust Company loan, payments of $1,905.59 per month including interest at 3.45% per annum, maturing November 1, 2009, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**15,051**	36,994
All Nations Trust Company loan, payments of $2,400.32 per month including interest at 4.25% per annum, maturing April 10, 2010, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**77,050**	101,776
GMAC finance agreement, payments of $1,430.00 per month including interest at 5.3% per annum, due February 12, 2010 secured by a 2005 GMC Sand Truck.	**13,955**	29,910
All Nations Trust Company loan, payments of $1,083.04 per month including interest at 4.90% per annum, maturing January 1, 2023, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**139,043**	146,513
	245,099	315,193

FUTURE PRINCIPAL REPAYMENTS

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

	$
2010	**62,817**
2011	**35,236**
2012	**32,193**
2013	**8,707**
2014	**9,800**
And beyond	**96,346**
	245,099

NOTE 6: MEMBERS' EQUITY

	2009 $	2008 $
Restricted		
Social Housing Fund	**655,093**	641,486
Trust Fund	**181,772**	174,372
Enterprise Fund	**47,100**	22,616
	883,965	838,474
Unrestricted		
Operating Fund	**(201,023)**	(165,392)
Capital Fund	**102,025**	170,939
	(98,998)	5,547
TOTAL EQUITY	**784,967**	844,021

NOTE 7: 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 $180,475.

NOTE 8: 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.

NOTE 9: DEFERRED REVENUE

	2009 $	2008 $
Deferred revenue is comprised of the following:		
Watermain Replacement 3551	**14,658**	14,658
New on Reserve Housing Approach 7450	**16,615**	32,222
Water Treatment Plant Construction 2131	**263,806**	263,806
Highway Access Feasibility Study 4502	**16,370**	17,055
	311,449	327,741

KANAKA BAR INDIAN BAND

OPERATING FUND **Schedule 1**
STATEMENT OF FINANCIAL POSITION
March 31, 2009

	2009 $	2008 $
ASSETS		
Cash	**143,758**	99,628
Accounts receivable	**84,812**	24,493
Accounts receivable - tobacco	**33,730**	32,902
Member loans receivable	**42,380**	45,636
Property taxes receivable	**500**	23,408
Prepaid expenses	**5,759**	2,272
Inventory	**3,524**	2,872
Due from Fraser Canyon Tribal Administration	**2,443**	2,443
Due from Kanaka Bar Indian Band Social Housing	**23,252**	6,672
Due from Kwoiek Creek Resources Inc	**26,237**	-
	366,395	240,326
LIABILITIES		
Accounts payable	**227,303**	46,502
Deferred revenue	**311,449**	327,741
Due to Kwoiek Creek Resources Inc.	**-**	4,415
Due to Skuppah Indian Band	**28,666**	27,060
	567,418	405,718
MEMBERS' EQUITY		
Unrestricted	**(201,023)**	(165,392)
	366,395	240,326

KANAKA BAR INDIAN BAND

OPERATING FUND

Schedule 2

SCHEDULE OF REVENUE, EXPENDITURES AND UNEXPENDED EQUITY BY PROGRAM

For the year ended March 31, 2009

		CURRENT YEAR OPERATIONS									
		REVENUES									
	SCHEDULE	INAC REVENUE	OTHER REVENUE	ALLOCATION FROM DEFERRED REVENUE	ALLOCATION TO DEFERRED REVENUE	TOTAL REVENUE	TOTAL EXPENDITURES	EXCESS (DEFICIT) FOR YEAR	OPENING EQUITY (DEFICIT)	TRANSFERS IN (OUT)	ENDING EQUITY
	#	$	$	$	$	$	$	$	$	$	$
Band Revenue and Support	3-1	127,391	11,766	-	-	139,157	250,765	(111,608)	(207,316)	78,638	**(240,286)**
Band Revenue	3-2	-	36,140	-	-	36,140	6,943	29,197	(124,040)	-	**(94,843)**
Community Gardens	3-3	-	-	-	-	-	-	-	-	-	-
Indian Registry	3-4	3,674	-	-	-	3,674	3,674	-	-	-	-
HHSS Disengagement	3-5	-	-	-	-	-	2,077	(2,077)	57,821	-	**55,744**
Mountain Pine Beetle	3-6	-	55,967	-	-	55,967	46,453	9,514	20,584	-	**30,098**
Elementary/Secondary	3-7	12,021	-	-	-	12,021	5,200	6,821	9,212	-	**16,033**
Post Secondary	3-8	69,344	-	-	-	69,344	61,441	7,903	78,638	(78,638)	**7,903**
Private School	3-9	14,088	-	-	-	14,088	14,088	-	5,212	-	**5,212**
New Paths	3-10	-	19,635	-	-	19,635	9,441	10,194	-	-	**10,194**
School District Funds	3-11	-	4,037	-	-	4,037	4,037	-	-	-	-
FNESC - Career Fairs	3-12	-	4,609	-	-	4,609	4,609	-	-	-	-
New Relationship Trust	3-13	-	2,500	-	-	2,500	1,523	977	-	-	**977**
Social Assistance - Basic Needs	3-14	97,133	-	-	-	97,133	83,840	13,293	(20,270)	-	**(6,977)**
Guardian Financial Assistance	3-15	5,207	-	-	-	5,207	1,208	3,999	(3,207)	-	**792**
Special Needs	3-16	5,299	-	-	-	5,299	8,305	(3,006)	(494)	-	**(3,500)**
Service Delivery	3-17	21,705	-	-	-	21,705	17,982	3,723	4,960	-	**8,683**
In Home Care	3-18	9,713	-	-	-	9,713	9,713	-	299	-	**299**
Service Delivery-In Home Care	3-19	1,714	-	-	-	1,714	333	1,381	1,453	-	**2,834**
National Child Benefits	3-20	21,245	-	-	-	21,245	21,245	-	-	-	-
Employment and Training	3-21	2,208	-	-	-	2,208	2,208	-	-	-	-
Family Violence - Prevention	3-22	2,777	-	-	-	2,777	2,777	-	-	-	-
Fraser Thompson Indian Serives	3-23	-	13,500	-	-	13,500	13,570	(70)	-	-	**(70)**
Watermain Replacement 3551	3-24	-	-	14,658	(14,658)	-	-	-	-	-	-
Maintenance (O&M)	3-25	46,462	6,055	-	-	52,517	66,581	(14,064)	(63,482)	-	**(77,546)**
Kwoiek Hydro Project	3-26	-	-	-	-	-	1,030	(1,030)	(5,449)	-	**(6,479)**
SUB-TOTAL		439,981	154,209	14,658	(14,658)	594,190	639,043	(44,853)	(246,079)	-	**(290,932)**

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, 2009

		CURRENT YEAR OPERATIONS									
		REVENUES									
	SCHEDULE #	INAC REVENUE $	OTHER REVENUE $	ALLOCATION FROM DEFERRED REVENUE $	ALLOCATION TO DEFERRED REVENUE $	TOTAL REVENUE $	TOTAL EXPENDITURES $	EXCESS (DEFICIT) FOR YEAR $	OPENING EQUITY (DEFICIT) $	TRANSFERS IN (OUT) $	ENDING EQUITY $
SUBTOTAL BROUGHT FORWARD		439,981	154,209	14,658	(14,658)	594,190	639,043	(44,853)	(246,079)	-	**(290,932)**
New on Reserve Housing	3-27	-	-	32,222	(16,615)	15,607	15,607	-	-	-	-
Maintenance and Building Site Design	3-28	-	-	-	-	-	-	-	(14,224)	-	**(14,224)**
Subdivision Feasibility Study	3-29	-	-	-	-	-	-	-	(36,835)	-	**(36,835)**
IR#1 Water Treatment Plant	3-30	-	-	263,806	(263,806)	-	-	-	-	-	-
George Creek Intake Relocation	3-31	-	-	-	-	-	-	-	-	-	-
Highway Access Feasibility Study	3-32	-	-	17,055	(16,370)	685	685	-	-	-	-
ACRS	3-33	9,100	-	-	-	9,100	9,100	-	-	-	-
Large Renewable Energy Initiative	3-34	150,000	-	-	-	150,000	150,000	-	-	-	-
Safe Water Operations Program	3-35	40,560	-	-	-	40,560	40,560	-	-	-	-
Water GAP Analysis	3-36	3,385	-	-	-	3,385	3,385	-	-	-	-
Economic Development	3-37	10,344	-	-	-	10,344	10,344	-	-	-	-
Property Taxation	3-38	-	39,117	-	-	39,117	29,895	9,222	131,746	-	**140,968**
TOTAL		653,370	193,326	327,741	(311,449)	862,988	898,619	(35,631)	(165,392)	-	**(201,023)**

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

KANAKA BAR INDIAN BAND

BAND REVENUE AND SUPPORT FUND **Schedule 3-1**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (1011)	-	**127,391**	113,082
Other	-	**11,766**	8,473
	-	**139,157**	121,555
EXPENDITURES			
Contracted services	-	**12,362**	11,665
Equipment lease	-	**4,510**	3,708
Honoraria	-	**12,175**	7,575
Insurance	-	**10,450**	15,720
Janitorial costs	-	**3,300**	6,000
Materials and supplies	-	**16,086**	4,147
Office and miscellaneous	-	**3,535**	14,914
Professional fees	-	**19,345**	19,046
Rent	-	**21,075**	-
Salaries and benefits	-	**129,160**	113,547
Telephone	-	**9,388**	4,539
Travel	-	**6,650**	4,074
Utilities	-	**2,729**	2,450
	-	**250,765**	207,385
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(111,608)**	(85,830)
OPENING EQUITY (DEFICIT)		**(207,316)**	(121,486)
Transfers in (out)		**78,638**	-
EQUITY (DEFICIT) AT END OF YEAR		**(240,286)**	(207,316)

KANAKA BAR INDIAN BAND

BAND REVENUE **Schedule 3-2**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Interest income	-	**656**	3,625
Rental income	-	**2,150**	2,000
School District #74	-	**-**	628
Tobacco sales	-	**6,462**	8,793
Other income	-	**26,872**	21,723
	-	**36,140**	36,769
EXPENDITURES			
Office and miscellaneous	-	**620**	2,000
Tobacco purchases	-	**6,323**	8,077
	-	**6,943**	10,077
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**29,197**	26,692
OPENING EQUITY (DEFICIT)		**(124,040)**	(386,647)
Transfers in (out)		**-**	235,915
EQUITY (DEFICIT) AT END OF YEAR		**(94,843)**	(124,040)

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

KANAKA BAR INDIAN BAND

COMMUNITY GARDENS — **Schedule 3-3**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	(123)
Transfers in (out)		-	123
EQUITY (DEFICIT) AT END OF YEAR		-	-

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

KANAKA BAR INDIAN BAND

INDIAN REGISTRY **Schedule 3-4**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2057)	-	**3,674**	1,616
EXPENDITURES			
Office and miscellaneous	-	**108**	-
Salaries and benefits	-	**2,292**	1,616
Travel	-	**1,274**	-
	-	**3,674**	1,616
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

HHSS DISENGAGEMENT **Schedule 3-5**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE	-	-	-
EXPENDITURES			
Supplies	-	1,477	-
Travel	-	600	-
	-	2,077	-
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	(2,077)	-
OPENING EQUITY (DEFICIT)		57,821	57,821
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		55,744	57,821

KANAKA BAR INDIAN BAND

MOUNTAIN PINE BEETLE **Schedule 3-6**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Central Interior First Nations	-	**10,000**	38,829
Government of Canada	-	**45,967**	63,914
Work Opportunity Program	-	**-**	35,822
	-	**55,967**	138,565
EXPENDITURES			
Contracted services	-	**45,967**	44,312
Program costs	-	**-**	17,108
Repairs and maintenance	-	**486**	-
Wages and benefits	-	**-**	53,357
Vehicle expenses	-	**-**	3,204
	-	**46,453**	117,981
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**9,514**	20,584
OPENING EQUITY (DEFICIT)		**20,584**	-
Transfer in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**30,098**	20,584

KANAKA BAR INDIAN BAND

EDUCATION - ELEMENTARY/SECONDARY **Schedule 3-7**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Ancillary Services (2126)	-	**4,840**	5,500
- Financial Assistance Allowance (2138)	-	**2,541**	2,640
- Guidance and Counselling (2139)	-	**2,940**	3,350
- Comprehensive Education Support Services (2141)	-	**1,700**	1,925
	-	**12,021**	13,415
EXPENDITURES			
Allowance	-	**1,908**	1,303
Supplies	-	**2,421**	1,200
Tuition	-	**600**	-
Travel	-	**271**	1,700
	-	**5,200**	4,203
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**6,821**	9,212
OPENING EQUITY (DEFICIT)		**9,212**	23,303
Transfers in (out)		-	(23,303)
EQUITY (DEFICIT) AT END OF YEAR		**16,033**	9,212

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

KANAKA BAR INDIAN BAND

EDUCATION - POST SECONDARY

Schedule 3-8

For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2270)	-	**69,344**	80,493
EXPENDITURES			
Allowances	-	**20,772**	18,013
Guidance and counselling education	-	**2,280**	-
Supplies	-	**1,743**	3,052
Travel	-	**717**	200
Tuition	-	**35,929**	17,495
	-	**61,441**	38,760
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**7,903**	41,733
OPENING EQUITY (DEFICIT)		**78,638**	277,347
Transfers in (out)		**(78,638)**	(240,442)
EQUITY (DEFICIT) AT END OF YEAR		**7,903**	78,638

KANAKA BAR INDIAN BAND

PRIVATE SCHOOL **Schedule 3-9**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2127)	-	**14,088**	20,772
EXPENDITURES			
Tuition	-	**14,088**	15,560
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	**-**	5,212
OPENING EQUITY (DEFICIT)		**5,212**	-
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**5,212**	5,212

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

KANAKA BAR INDIAN BAND

NEW PATHS **Schedule 3-10**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
First Nations Education Steering Committee	-	**19,635**	10,057
EXPENDITURES			
Supplies	-	**1,737**	4,037
Wages and benefits	-	**7,704**	7,102
	-	**9,441**	11,139
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**10,194**	(1,082)
OPENING EQUITY (DEFICIT)		**-**	-
Transfer in (out)		**-**	1,082
EQUITY (DEFICIT) AT END OF YEAR		**10,194**	-

KANAKA BAR INDIAN BAND

SCHOOL DISTRICT FUNDS **Schedule 3-11**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
School District #74 - Bus Funds	-	**4,037**	4,476
EXPENDITURES			
Wages and benefits	-	**4,037**	4,476
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

FNESC - CAREER FAIRS **Schedule 3-12**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
First Nations Education Steering Committee	-	4,609	-
EXPENDITURES			
FNESC - Career fair and field trip initiative	-	4,609	-
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

NEW RELATIONSHIP TRUST
For the year ended March 31, 2009

Schedule 3-13

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Other income	-	2,500	-
EXPENDITURES			
New Relationship Trust	-	878	-
Travel	-	645	-
	-	1,523	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	977	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		977	-

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, 2009

Schedule 3-14

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2305)	-	**97,133**	71,410
- Prior year (recoveries)	-	**-**	(3,051)
	-	**97,133**	68,359
EXPENDITURES			
Basic Needs	-	**39,487**	44,183
Shelter	-	**44,353**	44,446
	-	**83,840**	88,629
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**13,293**	(20,270)
OPENING EQUITY (DEFICIT)		**(20,270)**	(25,600)
Transfers in (out)		**-**	25,600
EQUITY (DEFICIT) AT END OF YEAR		**(6,977)**	(20,270)

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

KANAKA BAR INDIAN BAND

GUARDIAN FINANCIAL ASSISTANCE **Schedule 3-15**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2307)	-	**5,207**	1,223
EXPENDITURES			
Guardian financial assistance	-	**1,208**	4,430
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**3,999**	(3,207)
OPENING EQUITY (DEFICIT)		**(3,207)**	(876)
Transfers in (out)		**-**	876
EQUITY (DEFICIT) AT END OF YEAR		**792**	(3,207)

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

KANAKA BAR INDIAN BAND

SPECIAL NEEDS **Schedule 3-16**
For the year ended March 31, 2009

	2009		2008
	Budget	**Actual**	**Actual**
	$	**$**	**$**
REVENUE			
Indian and Northern Affairs Canada (2320)	-	**5,299**	5,162
EXPENDITURES			
Special needs	-	**8,305**	5,656
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(3,006)**	(494)
OPENING EQUITY (DEFICIT)		**(494)**	(87)
Transfers in (out)		**-**	87
EQUITY (DEFICIT) AT END OF YEAR		**(3,500)**	(494)

KANAKA BAR INDIAN BAND

SERVICE DELIVERY **Schedule 3-17**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2330)	-	**21,705**	21,451
EXPENDITURES			
Salaries and benefits	-	**300**	6,152
Service delivery expenses	-	**15,468**	8,844
Travel	-	**2,214**	1,256
	-	**17,982**	16,252
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**3,723**	5,199
OPENING EQUITY (DEFICIT)		**4,960**	(239)
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**8,683**	4,960

KANAKA BAR INDIAN BAND

IN HOME CARE **Schedule 3-18**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2395)	-	**9,713**	9,495
EXPENDITURES			
Adult care	-	**9,713**	9,196
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	299
OPENING EQUITY (DEFICIT)		**299**	(62)
Transfers in (out)		**-**	62
EQUITY (DEFICIT) AT END OF YEAR		**299**	299

KANAKA BAR INDIAN BAND

SERVICE DELIVERY - IN HOME CARE **Schedule 3-19**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2399)	-	**1,714**	1,676
EXPENDITURES			
Miscellaneous	-	**333**	223
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**1,381**	1,453
OPENING EQUITY (DEFICIT)		**1,453**	-
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**2,834**	1,453

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

KANAKA BAR INDIAN BAND

NATIONAL CHILD BENEFIT
For the year ended March 31, 2009

Schedule 3-20

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2440)	-	**21,245**	20,212
EXPENDITURES			
National Child Benefit	-	**21,245**	20,212
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

EMPLOYMENT AND TRAINING — **Schedule 3-21**

For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2308)	-	**2,208**	2,438
EXPENDITURES			
Employment and training	-	**2,208**	2,438
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

FAMILY VIOLENCE - PREVENTION PROJECT **Schedule 3-22**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (2420)	-	**2,777**	2,777
EXPENDITURES			
Contracted services	-	**2,777**	2,777
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

FRASER THOMPSON INDIAN SERVICES SOCIETY **Schedule 3-23**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Fraser Thompson Indian Services Society	-	13,500	-
EXPENDITURES			
Contracted services	-	1,960	-
Salaries and benefits	-	11,610	-
	-	13,570	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(70)	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		(70)	-

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

KANAKA BAR INDIAN BAND

WATERMAIN REPLACEMENT 3551 **Schedule 3-24**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Allocation from deferred revenue	-	**(14,658)**	14,658
Allocation to deferred revenue	-	**14,658**	(14,658)
	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

MAINTENANCE (O&M) **Schedule 3-25**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Municipal services (4269)	-	**5,969**	5,969
- Roads and bridges (4267)	-	**25,336**	24,681
- Train - Fire Protection (4273)	-	**1,140**	1,140
- Water Systems (4211)	-	**14,017**	13,686
House maintenance	-	**6,055**	3,103
	-	**52,517**	48,579
EXPENDITURES			
Disposal	-	-	1,200
License, dues and fees	-	**16,131**	9,745
Loan payments - vehicle	-	**17,156**	17,156
Office and miscellaneous	-	**109**	-
Repairs and maintenance	-	**4,963**	3,899
Roads and bridges	-	**8,097**	5,691
Subcontract	-	**1,350**	8,774
Supplies	-	**1,300**	4,118
Utilities	-	**4,659**	1,967
Vehicle operations	-	**9,944**	7,889
Wages and benefits	-	**2,368**	31,024
Water systems maintenance	-	**504**	622
	-	**66,581**	92,085
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(14,064)**	(43,506)
OPENING EQUITY (DEFICIT)		**(63,482)**	(19,976)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**(77,546)**	(63,482)

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

KANAKA BAR INDIAN BAND

KWOIEK HYDRO PROJECT **Schedule 3-26**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE	-	-	-
EXPENDITURES			
Contract wages	-	360	-
Licence, dues and fees	-	670	-
	-	1,030	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(1,030)	-
OPENING EQUITY (DEFICIT)		(5,449)	(5,449)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		(6,479)	(5,449)

KANAKA BAR INDIAN BAND

NEW ON RESERVE HOUSING 7450 **Schedule 3-27**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Allocation from deferred revenue	-	**32,222**	36,822
Allocation to deferred revenue	-	**(16,615)**	(32,222)
	-	**15,607**	4,600
EXPENDITURES			
Contracted services	-	**-**	4,600
Repairs and maintenance	-	**15,607**	-
	-	**15,607**	4,600
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	-
OPENING EQUITY (DEFICIT)		**-**	-
Transfer in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**-**	-

KANAKA BAR INDIAN BAND

MAINTENANCE BUILDING SITE DESIGN
For the year ended March 31, 2009

Schedule 3-28

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		**(14,224)**	(14,224)
Transfer in (out)		-	-
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

IR#1 SUBDIVISION EXTENSION FEASIBILITY 2795 **Schedule 3-29**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		**(36,835)**	(36,835)
Transfer in (out)		-	-
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

Schedule 3-30

For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Allocation from deferred revenue	-	**263,806**	263,817
Deferred revenue, end of year	-	**(263,806)**	(263,806)
	-	**-**	11
EXPENDITURES			
Supplies	-	**-**	11
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

GEORGE CREEK INTAKE RELOCATION 2311 **Schedule 3-31**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Allocation from deferred revenue	-	-	9,399
Allocation to deferred revenue	-	-	(9,399)
	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

HIGHWAY ACCESS FEASIBILITY STUDY 4502
For the year ended March 31, 2009

Schedule 3-32

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Allocation from deferred revenue	-	**17,055**	30,831
Allocatio to deferred revenue	-	**(16,370)**	(17,055)
	-	**685**	13,776
EXPENDITURES			
Engineering fees	-	**685**	13,776
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	-
OPENING EQUITY (DEFICIT)		**-**	-
Transfer in (out)		**-**	-
EQUITY (DEFICIT) END OF THE YEAR		**-**	-

KANAKA BAR INDIAN BAND

ACRS PROJECT 9201 **Schedule 3-33**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (4247)	-	9,100	-
EXPENDITURES			
Capital project	-	714	-
Contracted services	-	1,752	-
Supplies	-	6,634	-
	-	9,100	-
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

LARGE RENEWABLE ENERGY INITIATIVE **Schedule 3-34**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (4502)	-	**150,000**	-
EXPENDITURES			
Professional fees	-	**150,000**	-
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

SAFE WATER OPERATIONS PROGRAM
For the year ended March 31, 2009

Schedule 3-35

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (4525)	-	40,560	-
EXPENDITURES			
Wages and benefits	-	40,560	-
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

WATER GAP ANALYSIS O&M — **Schedule 3-36**

For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (4521)	-	3,385	-
EXPENDITURES			
Supplies	-	1,385	-
Utilities	-	2,000	-
	-	3,385	-
ANNUAL EXCESS (SHORTFALL) OF REVENUES 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

ECONOMIC DEVELOPMENT

Schedule 3-37

For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Indian and Northern Affairs Canada (4180)	-	**10,344**	10,344
EXPENDITURES			
Training	-	**880**	-
Travel	-	**261**	-
Wages and benefits	-	**9,203**	19,291
	-	**10,344**	19,291
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	(8,947)
OPENING EQUITY (DEFICIT)		-	8,947
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

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

KANAKA BAR INDIAN BAND

PROPERTY TAXATION **Schedule 3-38**
For the year ended March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
BC Hydro	-	**14,184**	14,184
Interest	-	**804**	5,992
Taxation	-	**24,129**	8,692
	-	**39,117**	28,868
EXPENDITURES			
Bad debts	-	**23,408**	-
Bank charges and interest	-	**1,467**	139
Community development	-	**-**	30,215
Dues and fees	-	**-**	1,922
HHSS disengagement	-	**-**	10,010
Land assessments	-	**680**	-
Materials and supplies	-	**-**	2,526
Travel	-	**2,193**	6,401
Truck purchase	-	**-**	43,205
Wages and benefits	-	**1,471**	6,254
Workshops	-	**676**	275
	-	**29,895**	100,947
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**9,222**	(72,079)
OPENING EQUITY		**131,746**	203,825
Transfer in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**140,968**	131,746

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND **Schedule 4**
SCHEDULE OF FINANCIAL POSITION
March 31, 2009

	2009 $	2008 $
ASSETS		
Cash	**30,529**	30,200
Accounts receivable - renters	**116,657**	87,267
Canada Mortgage and Housing Corporation interest subsidy receivable	**2,248**	1,846
Cash - Replacement Reserve Fund (Note 7)	**9**	9
Capital assets (Note 2)	**763,174**	817,313
	912,617	936,635
LIABILITIES		
Accounts payable	**2,399**	2,249
Accrued mortgage interest payable	**730**	945
Due to Kanaka Bar Indian Band	**23,251**	6,672
Long-term debt (Note 5)	**231,144**	285,283
	257,524	295,149
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	**(57,422)**	(57,422)
Replacement Reserve Fund (Note 7)	**180,484**	166,877
Equity in Housing Facilities	**532,031**	532,031
	655,093	641,486
	912,617	936,635

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND **Schedule 5**
SCHEDULE OF REVENUE AND EXPENDITURES - OPERATING
March 31, 2009

	2009 Budget $	2009 Actual $	2008 Actual $
REVENUE			
Rental income	-	**77,589**	72,993
Canada Mortgage & Housing Corporation interest subsidy	-	**27,378**	27,423
Interest Income	-	**349**	1,135
	-	**105,316**	101,551
EXPENDITURES			
Operating costs			
Garbage	-	**2,600**	2,600
Insurance	-	**12,501**	9,126
Repairs and maintenance	-	**622**	1,647
	-	**15,723**	13,373
Administration costs			
Administration fees	-	**8,482**	7,069
Professional fees	-	**2,495**	2,295
CMHC adjustments	-	**-**	(53)
Workshops and other	-	**-**	200
	-	**10,977**	9,511
Amortization costs			
Mortgage interest	-	**10,313**	13,772
Mortgage principal repayments	-	**54,139**	51,491
	-	**64,452**	65,263
Reserves			
Appropriations to Replacement Reserve Fund	-	**14,164**	14,164
	-	**105,316**	102,311
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	(760)
OPENING EQUITY (DEFICIT)	-	**(57,422)**	(56,662)
EQUITY (DEFICIT) AT END OF THE YEAR	-	**(57,422)**	(57,422)

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 8) — Schedule 6
March 31, 2009

	2009 $	2008 $
REVENUE		
Appropriations from the Operating Fund	**14,164**	14,164
Prior year adjustment for Canada Mortgage and Housing Corporation	**-**	(53)
	14,164	14,111
EXPENDITURES		
Repairs and maintenance	**557**	2,139
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**13,607**	11,972
EQUITY (DEFICIT) AT THE BEGINNING OF THE YEAR	**166,877**	154,905
EQUITY (DEFICIT) AT THE END OF THE YEAR	**180,484**	166,877

KANAKA BAR INDIAN BAND

CAPITAL FUND **Schedule 7**
SCHEDULE OF FINANCIAL POSITION
March 31, 2009

	2009 $	2008 $
ASSETS (Note 2)		
Automotive	**52,953**	100,663
Buildings	**3,697**	4,033
Capital Water Project	**35,766**	71,530
Computer equipment	**944**	1,416
Equipment and furniture	**1,270**	1,857
Land	**21,350**	21,350
	115,980	200,849
LIABILITIES AND EQUITY		
GMAC loan payable (Note 6)	**13,955**	29,910
Members' Equity	**102,025**	170,939
	115,980	200,849

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

KANAKA BAR INDIAN BAND

CAPITAL FUND **Schedule 8**
SCHEDULE OF CHANGES IN EQUITY
March 31, 2009

	2009 $	2008 $
ADDITIONS		
From the Operating Fund	-	43,205
Principal reduction	**15,955**	15,133
	15,955	58,338
LESS		
Depreciation of capital assets	**84,869**	88,848
	(68,914)	(30,510)
OPENING EQUITY (DEFICIT)	**170,939**	201,449
EQUITY (DEFICIT) AT THE END OF YEAR	**102,025**	170,939

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

KANAKA BAR INDIAN BAND

TRUST FUND **Schedule 9**
SCHEDULE OF FINANCIAL POSITION
March 31, 2009

	2009 $	2008 $
ASSETS (Note 4)		
Cash in Ottawa Trust Funds	**181,772**	174,372
LIABILITIES AND EQUITY		
Equity in Ottawa Trust Funds	**181,772**	174,372

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, 2009

	2009 $	2008 $
ADDITIONS		
Interest earned	**3,549**	7,145
BC special	**523**	518
Canadian Pacific Railway Company	**3,328**	3,328
	7,400	10,991
OPENING EQUITY (DEFICIT)	**174,372**	163,381
EQUITY (DEFICIT) AT THE END OF YEAR	**181,772**	174,372

KANAKA BAR INDIAN BAND

ENTERPRISE FUND **Schedule 11**
SCHEDULE OF FINANCIAL POSITION
March 31, 2009

	2009 $	2008 $
ASSETS		
Investment in All Nations Trust Company	**11,220**	11,220
Investments, Loans and Advances to First Nation Controlled Entities (Note 3)	**35,880**	11,396
	47,100	22,616
MEMBERS' EQUITY	**47,100**	22,616

KANAKA BAR INDIAN BAND

ENTERPRISE FUND **Schedule 12**
STATEMENT OF OPERATIONS AND CHANGES IN EQUITY
March 31, 2009

	2009 $	2008 $
REVENUES		
Share of Net Income (Loss) for the year:		
Kwoiek Creek Resources Inc	**24,484**	(194,862)
EXPENDITURES	**-**	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**24,484**	(194,862)
OPENING EQUITY (DEFICIT)	**22,616**	217,478
EQUITY AT END OF YEAR	**47,100**	22,616

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

KANAKA BAR INDIAN BAND SOCIAL HOUSING

FINANCIAL STATEMENTS
March 31, 2009

KANAKA BAR INDIAN BAND SOCIAL HOUSING

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March 31, 2009

Kanaka Bar Indian Band

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Kanaka Bar Indian Band Social Housing and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared in conformity with Canadian generally accepted accounting principles as defined by the CICA Handbook and, where appropriate, include amounts that are based on management's best estimates and judgments. Management has established internal control systems to ensure that the financial information is objective and reliable and that band housing program assets are safeguarded.

The financial statements have been audited by the independent auditors, Reid Hurst Nagy Inc., CGAs, whose report outlines the scope of their opinion on the financial statements.

The Chief and Council carries out its responsibility for the financial statements through the Office of Chief and Council, which is comprised of a quorum of council. The Chief and Council meet with the auditors to satisfy themselves on the adequacy of internal controls and to review the financial statements and auditors' report.

The Chief and Council reviews the audited financial statements with the external auditors before making recommendations for presentation to the band membership.

Original Signed by James Frank

Chief

Original Signed by Evelyn Michell

Councillor

2693 Siwash Rd., PO Box 680, Lytton, BC, V0K 1Z0 Phone: 250-455-2200 Fax 250-455-2201

KANAKA BAR INDIAN BAND SOCIAL HOUSING

STATEMENT OF REVENUE AND EXPENDITURES
OPERATING FUND — **Statement 1**
For the year ending March 31, 2009

	2009 Actual $	2008 Actual $
REVENUE		
Rental	**77,589**	72,993
Canada Mortgage & Housing Corporation interest subsidy	**27,378**	27,423
Interest	**349**	1,135
	105,316	101,551
EXPENDITURES		
OPERATING COSTS		
Garbage removal	**2,600**	2,600
Insurance	**12,501**	9,126
Repairs and maintenance	**622**	1,647
	15,723	13,373
ADMINISTRATION COSTS		
Administration fees	**8,482**	7,069
Audit fees	**2,495**	2,295
CMHC adjustments	-	(53)
Workshop	-	200
	10,977	9,511
DEPRECIATION COSTS		
Mortgage interest	**10,313**	13,772
Mortgage principal repayments	**54,139**	51,491
	64,452	65,263
RESERVES		
Appropriations to Replacement Reserve Fund	**14,164**	14,164
	105,316	102,311
SURPLUS OF REVENUE OVER EXPENSE	-	(760)

The accompanying notes are an integral part of these financial statements

KANAKA BAR INDIAN BAND SOCIAL HOUSING

STATEMENT OF CHANGES IN BAND MEMBERS' EQUITY AND FUNDS **Statement 2**
As At March 31, 2009

	2009 $	2008 $
OPERATING FUND		
Balance, beginning of the year	**(57,422)**	(56,662)
Current year surplus	**-**	(760)
Balance, end of the year	**(57,422)**	(57,422)
REPLACEMENT RESERVE FUND (Note 5)		
Balance, beginning of the year	**166,877**	154,905
Current year appropriations	**14,164**	14,164
Current year expenditures	**(557)**	(2,139)
Prior year adjustment from Canada Mortgage & Housing Corporation	**-**	(53)
Balance, end of the year	**180,484**	166,877

KANAKA BAR INDIAN BAND SOCIAL HOUSING

BALANCE SHEET **Statement 3**
As At March 31, 2009

	2009 $	2008 $
LIABILITIES		
CURRENT		
Accounts payable	**2,399**	2,249
Accrued mortgage interest payable	**730**	945
Current portion of long-term debt (Note 4)	**48,862**	55,367
Due to Kanaka Bar Indian Band	**23,251**	6,672
	75,242	65,233
LONG-TERM DEBT (Note 4)	**182,282**	229,916
	257,524	295,149
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	**(57,422)**	(57,422)
Replacement Reserve Fund (Note 5)	**180,484**	166,877
Equity in Housing Facilities	**532,031**	532,031
	655,093	641,486
	912,617	936,635

KANAKA BAR INDIAN BAND SOCIAL HOUSING

NOTE 4: LONG-TERM DEBT

	2009 $	2008 $
All Nations Trust Company loan, payment of $1,905.59 per month including interest at 3.45% per annum, maturing November 1, 2009, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**15,051**	36,994
All Nations Trust Company loan, payment of $2,400.32 per month including interest at 4.25% per annum, maturing April 10, 2010, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**77,050**	101,776
All Nations Trust Company loan, payment of $1,083.04 per month including interest at 3.90% per annum, maturing January 1, 2023, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**139,043**	146,513
	231,144	285,283
Less: current portion	**(48,862)**	(55,367)
TOTAL	**182,282**	340,650

FUTURE PRINCIPAL REPAYMENTS

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

	$
2010	**48,862**
2011	**35,236**
2012	**32,193**
2013	**8,707**
2014 and thereafter	**106,146**
	231,144

NOTE 5: 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 assets.

These funds are to be held in a separate bank account with any interest earned to be credited as revenue to the Replacement Reserve Fund. As at the Balance Sheet date, the Fund is underfunded by $180,475 (2008 - $166,868).

NOTE 6: SUBSIDY SURPLUS FUND

In accordance with the terms and conditions of the "Operating Agreement" with Canada Mortgage & Housing Corporation, the Program is permitted 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. The Fund may be replenished to its original limit from subsequent operating surpluses.

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

NOTE 7: ADVANCES FROM KANAKA BAR INDIAN BAND

The Kanaka Bar Indian Band has advanced $23,251 as of March 31, 2009 for working capital purposes ($6,672 as of March 31, 2008). There are no stated terms of repayment or stated rate of interest on the advances.

NOTE 8: STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared as it would not disclose any additional information.

KANAKA BAR INDIAN BAND SOCIAL HOUSING

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) The financial statements have been prepared on the basis of accrual fund accounting where revenues are recognized in the period earned or contributed and expenditures are recorded in the period in which they became an obligation of the Housing Program.

b) Expenditures of a capital nature are expensed in the period received and they are also capitalized at cost in the statements. Depreciation is provided in an amount equivalent to the annual principal reduction of the mortgage payable.

c) These financial statements have been prepared in accordance with significant accounting policies set out below to comply with the Section 56.1 of the mortgage agreement dated October 18th, 2000 with the Canada Mortgage and Housing Corporation (CMHC). The basis of accounting used in these financial statements materially differs from Canadian generally accepted accounting principles because:

i) amortization is not provided on building and furniture and equipment purchased from loans recognized by CMHC over the estimated useful lives of these assets but rather at a rate equal to the annual principal reduction of the mortgage;

ii) capital assets
- purchased from accumulated surplus are charged to operations in the year the expenditure incurred,
- purchased from the replacement reserve are charged against the replacement reserve account, rather than being capitalized on the balance sheet and amortized over their estimated useful lives; and

iii) a reserve for future capital replacement is appropriated annually from operations.

NOTE 2: CASH

'Cash' is comprised of:

	2009 $	2008 $
Operating Account		
Royal Bank of Canada	**30,529**	30,200

NOTE 3: RESTRICTED FUNDS

'Restricted Funds' is comprised of:

	2009 $	2008 $
Replacement Reserve Fund:		
Royal Bank of Canada	**9**	9

KWOIEK CREEK RESOURCES INC.

FINANCIAL STATEMENTS
March 31, 2009
(Unaudited)

KWOIEK CREEK RESOURCES INC.

INDEX TO THE FINANCIAL STATEMENTS
March 31, 2009
(Unaudited)

REIDHURSTNAGYINC.
CERTIFIED GENERAL ACCOUNTANTS

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Canada

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REVIEW ENGAGEMENT REPORT

To: James Frank
Kwoiek Creek Resources Inc.

We have reviewed the balance sheet of Kwoiek Creek Resources Inc. as at March 31, 2009 and the statements of income, retained earnings and cash flows for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the company.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

As a result of the financial statements for the Kwioek Creek Resources Limited Partnership not being prepared at the date of the review engagement report, we were unable to record on these financial statements the company's 50% interest in the limited partnership on these financial statements. Had the financial statements been completed, we might have determined adjustments necessary to the investment in the limited partnership, revenue, expenses and net income.

Except for the effect of adjustments, if any, which we might have determined necessary had we been able to complete our review of the joint venture financial statement as described in the preceding paragraph, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Reid Hurst Nagy Inc.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

RICHMOND, B.C.
JULY 14, 2009

KWOIEK CREEK RESOURCES INC.

STATEMENT OF INCOME **Statement 1**
For The Year Ended March 31, 2009
(Unaudited)

	2009		2008		2007	
	$	%	$	%	$	%
REVENUE	**220,386**	**100.0**	3,198	100.0	612,637	100.0
GENERAL AND ADMINISTRATIVE EXPENSES						
Bank charges and interest	**385**	**0.2**	26	1	71	0.0
Consulting fees	**62,385**	**28.3**	169	5	787	0.1
Contracted Services	**13,525**	**6.1**	15,998	500	13,947	2.3
Depreciation	**8,871**	**4.0**	12,674	396	7,455	1.2
Honoraria	**11,250**	**5.1**	13,700	428	136,210	22.2
Membership payout	**-**	**0.0**	-	0.0	33,000	5.4
Office and miscellaneous	**-**	**0.0**	735	23	5,320	0.9
Professional development	**2,496**	**1.1**	1,765	55	185	0.0
Professional fees	**11,196**	**5.1**	62,315	1,949	45,422	7.4
Travel	**1,951**	**0.9**	3,752	117	6,579	1.1
Vehicle expenses	**5,750**	**2.6**	5,803	181	21,980	3.6
Wages and benefits	**78,443**	**35.6**	82,872	2,591	103,316	16.9
	196,252	**89.0**	199,809	6,246	374,272	61.1
NET INCOME FROM OPERATIONS	**24,134**	**11.0**	(196,611)	(6,146)	238,365	38.9
Interest income	**350**	**0.2**	-	0.0	2,175	0.4
Miscellaneous income	**-**	**0.0**	1,750	54.7	-	0.0
NET INCOME	**24,484**	**11.2**	(194,861)	(6,091)	240,540	39.3

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

STATEMENT OF RETAINED EARNINGS **Statement 2**
For The Year Ended March 31, 2009
(Unaudited)

	2009 $	2008 $	2007 $
Balance, beginning of the year	**11,395**	206,256	(34,284)
Add: Net Income	**24,484**	(194,861)	240,540
Balance, end of the year	**35,879**	11,395	206,256

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

BALANCE SHEET **Statement 3**
As At March 31, 2009
(Unaudited)

	2009 $	2008 $	2007 $
ASSETS			
CURRENT			
Cash	**42,164**	7,854	134,351
CAPITAL (Notes 1a & 3)	**20,700**	29,572	42,245
OTHER			
Due from Kanaka Bar Indian Band (Note 5)	-	4,415	34,524
	62,864	41,841	211,120

Approved On Behalf of the Company:

________________________ Director

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

BALANCE SHEET **Statement 3**
As At March 31, 2009
(Unaudited)

	2009 $	2008 $	2007 $
LIABILITIES			
CURRENT			
Accounts payable and accruals	-	28,601	3,587
Wages and benefits payable	**747**	1,844	324
	747	30,445	3,911
OTHER			
Due to Skuppah Indian Band	-	-	952
Due to Kanaka Bar Indian Band (Note 4)	**26,237**	-	-
	26,237	-	952
	26,984	30,445	4,863
SHAREHOLDER'S EQUITY			
Share capital (Note 5)	**1**	1	1
Retained earnings	**35,879**	11,395	206,256
	35,880	11,396	206,257
	62,864	41,841	211,120

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

STATEMENT OF CASH FLOWS **Statement 4**
For The Year Ended March 31, 2009
(Unaudited)

	2009 $	2008 $	2007 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	**24,484**	(194,861)	240,540
Amortization	**8,871**	12,674	7,455
	33,355	(182,187)	247,995
NET CHANGES IN WORKING CAPITAL ACCOUNTS			
Accounts payable	**(28,601)**	25,013	(4,925)
Wages and benefits payable	**(1,096)**	1,520	324
	3,658	(155,654)	243,394
CASH FLOWS FROM FINANCING ACTIVITIES			
Due to/from Kanaka Bar Indian Band	**30,652**	30,109	(60,960)
Due to Skuppah Indian Band	-	(952)	952
	30,652	29,157	(60,008)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital assets	-	-	(49,700)
NET CHANGE IN CASH AND CASH EQUIVALENTS	**34,310**	(126,497)	133,686
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	**7,854**	134,351	665
CASH AND CASH EQUIVALENTS - END OF THE YEAR	**42,164**	7,854	134,351

KWOIEK CREEK RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended March 31, 2009
(Unaudited)

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of significant accounting policies used in the preparation of the financial statements:

a) Capital assets and amortization

Capital assets are valued at cost. Amortization is provided on a declining balance basis over the expected useful life of the assets at the following annual rates:

Automobile	30%

Amortization is reduced to one-half the normal rate in the year of acquisition.

NOTE 2: FINANCIAL INSTRUMENTS

The company's financial instruments consist of cash, accounts receivable and accounts payable and accruals. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

NOTE 3: CAPITAL ASSETS

Capital assets consist of the following:

	COST	ACCUMULATED AMORTIZATION	2009 NET	2008 NET	2007 NET
	$	$	$	$	$
Automobile	49,700	29,000	**20,700**	29,572	42,245

NOTE 4: DUE TO/FROM KANAKA BAR INDIAN BAND

Advances to/from Kanaka Bar Indian Band are non-interest bearing with no specific terms of repayment.

NOTE 5: SHARE CAPITAL

Authorized:
10,000 Common shares without par value

Issued and outstanding:			
1 Common shares without par value	**1**	1	1

The share are held in trust by Chief James Frank on behalf of the Kanaka Bar Indian Band.

NOTE 6: OPERATIONS

The Company was incorporated under the laws of the Province of British Columbia on June 7, 2001, the company is wholly-owned and controlled by and for the benefit of the Kanaka Indian Band. Under section 149(1)(d.5) of the Canadian Income Tax Act the company is exempt from income tax.

The company is the first-in-line holder of a water licence application with Land and Water British Columbia and is the proponent for a project approval certificate with the British Columbia Environmental Assessment Office for the purpose of developing a hydroelectric project.

AUDITORS' REPORT

TO THE MEMBERS OF THE
KANAKA BAR INDIAN BAND

We have audited the summary statement of financial position of Kanaka Bar Indian Band as at March 31, 2009 and the summary statements of operations and cash flow for the year then ended. These financial statements are the responsibility of the First Nation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian 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 First Nation as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

JULY 20, 2009
RICHMOND, B.C.

KANAKA BAR INDIAN BAND

March 31, 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Kanaka Bar Indian Band are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

The First Nation Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The First Nation Council reviews the Nation's financial statements and recommends their approval. The First Nation Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review, the financial statements and the external auditor's report. The First Nation Council also reviews and considers for approval by the Members, the engagement of the external auditors.

The financial statements have been audited by Reid Hurst Nagy Inc., Certified General Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc. has full and free access to the First Nation Council.

__________________________ Chief   __________________________ Councilor

__________________________ Date

KANAKA BAR INDIAN BAND

March 31, 2009

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Kanaka Bar Indian Band are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The First Nation maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Nation's assets are appropriately accounted for and adequately safeguarded.

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The financial statements have been audited by Reid Hurst Nagy Inc., Certified General Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy Inc. has full and free access to the First Nation Council.

Original Signed by James Frank
___________________________ Chief

Original Signed by Evelyn Michell
___________________________ Councilor

Original Signed on July 29, 2009
___________________________ Date

KANAKA BAR INDIAN BAND SOCIAL HOUSING

BALANCE SHEET
As At March 31, 2009

Statement 3

	2009 $	2008 $
ASSETS		
CURRENT		
Cash (Note 2)	**30,529**	30,200
Canada Mortgage & Housing Corporation interest subsidy receivable	**2,248**	1,846
Rent receivable	**116,657**	87,267
	149,434	119,313
CAPITAL		
Housing units	**1,298,583**	1,298,583
Less: accumulated depreciation	**535,409**	481,270
	763,174	817,313
RESTRICTED		
Cash - Replacement Reserve Fund	**9**	9
	912,617	936,635

Approved On Behalf of
The Kanaka Bar Indian Band

Original Signed by James Frank
______________________________ Chief

Original Signed by Evelyn Michell
______________________________ Councillor

The accompanying notes are an integral part of these financial statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Kanaka Bar Indian Band Social Housing and all the information in this annual report are the responsibility of management and have been approved by the Chief and Council.

The financial statements have been prepared in conformity with Canadian generally accepted accounting principles as defined by the CICA Handbook and, where appropriate, include amounts that are based on management's best estimates and judgments. Management has established internal control systems to ensure that the financial information is objective and reliable and that band housing program assets are safeguarded.

The financial statements have been audited by the independent auditors, Reid Hurst Nagy Inc., CGAs, whose report outlines the scope of their opinion on the financial statements.

The Chief and Council carries out its responsibility for the financial statements through the Office of Chief and Council, which is comprised of a quorum of council. The Chief and Council meet with the auditors to satisfy themselves on the adequacy of internal controls and to review the financial statements and auditors' report.

The Chief and Council reviews the audited financial statements with the external auditors before making recommendations for presentation to the band membership.

Chief

Councillor

KANAKA BAR INDIAN BAND SOCIAL HOUSING

BALANCE SHEET **Statement 3**
As At March 31, 2009

	2009 $	2008 $
ASSETS		
CURRENT		
Cash (Note 2)	**30,529**	30,200
Canada Mortgage & Housing Corporation interest subsidy receivable	**2,248**	1,846
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RESTRICTED		
Cash - Replacement Reserve Fund	**9**	9
	912,617	936,635

Approved On Behalf of
The Kanaka Bar Indian Band

_______________________ Chief

_______________________ Councillor

The accompanying notes are an integral part of these financial statements