KANAKA BAR INDIAN BAND

FINANCIAL STATEMENTS

MARCH 31, 2010

KANAKA BAR INDIAN BAND
INDEX TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2010

KANAKA BAR INDIAN BAND

FINANCIAL STATEMENTS
MARCH 31, 2010

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INDEX TO THE FINANCIAL STATEMENTS
March 31, 2010

Kanaka Bar Indian Band

KANAKA BAR INDIAN BAND

March 31, 2010

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

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, 2010 and the summary statements of operations, change in net financial assets 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for First Nations in British Columbia applied on a basis consistent with that of the preceding year.

Reid Hurst Nagy Inc.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

JANUARY 12, 2011
RICHMOND, B.C.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF FINANCIAL POSITION **Statement 1**
March 31, 2010

	2010 $	2009 $
FINANCIAL ASSETS		
Cash	**114,403**	174,287
Restricted cash	**196,498**	181,781
Accounts receivable	**173,303**	87,060
Accounts receivable - renters	**1,604**	116,657
Accounts receivable - tobacco	**34,599**	33,730
Member loans receivable	**41,764**	42,380
Property taxes receivable	**-**	500
Inventory	**783**	3,524
Due from Kwoiek Creek Resources Inc.	**23,828**	26,237
Due from Fraser Canyon Tribal Administration	**2,443**	2,443
Investment in All Nations Trust Company	**11,220**	11,220
Investment in First Nation Controlled Entities (Note 3)	**-**	35,880
	600,445	715,699
LIABILITIES		
Accounts payable	**86,005**	230,431
Deferred revenue (Note 9)	**121,487**	311,449
Due to Skuppah Indian Band	**25,348**	28,666
Long-term debt (Note 5)	**182,180**	245,099
Investment in First Nation Controlled Entities (Note 3)	**9,144**	-
	424,164	815,645
NET FINANCIAL ASSETS (DEBT)	**176,281**	(99,946)
NON-FINANCIAL ASSETS		
Capital assets (Note 1c, 2)	**755,228**	879,154
Prepaid expenses	**6,537**	5,759
	761,765	884,913
	938,046	784,967

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

Statement 2

For the year ended March 31, 2010

	2010 $	2009 $
REVENUE		
Indian and Northern Affairs Canada	**464,139**	653,370
Administration	**103,000**	-
Allocation from deferred revenue	**311,449**	298,425
Allocation to deferred revenue	**(121,487)**	(282,133)
Canada Mortgage & Housing Corporation subsidy	**23,755**	27,378
Capital fund	**193,710**	15,955
Central Interior First Nations	**-**	10,000
Enterprise Fund	**(45,024)**	24,484
First Nations Education Steering Committee	**14,012**	24,244
Fraser Canyon Health	**39,857**	-
Fraser Thompson Indian Services Society	**13,500**	13,500
Government of Canada	**-**	45,967
Interest Income	**1,043**	1,809
Miscellaneous income	**125,457**	86,040
Ottawa Trust Funds	**14,717**	7,400
Rental income	**75,018**	79,739
Taxation	**25,190**	24,129
	1,238,336	1,030,307
EXPENDITURES (Schedule 2)		
Operating Fund		
Band Programs	**391,972**	409,773
Social Development	**168,958**	149,134
Capital	**3,659**	215,952
Health	**51,402**	13,570
Education	**104,730**	98,816
Economic Development	**10,884**	11,374
Housing	**98,933**	105,873
Housing - Equity in Housing Facilities	**178,650**	-
Capital	**76,068**	84,869
	1,085,256	1,089,361
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**153,080**	(59,054)

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

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF CHANGE IN NET FINANCIAL ASSETS **Statement 3**
For the year ended March 31, 2010

	2010 $	2009 $
ANNUAL EXCESS OF REVENUE OVER EXPENDITURES	**153,080**	(59,054)
Acquisition of tangible capital assets	**(1,105)**	-
Amortization of tangible capital assets	**125,031**	139,008
	277,006	79,954
Acquisition of prepaid asset	**(6,537)**	(5,759)
Use of prepaid assets	**5,759**	2,272
	(778)	(3,487)
NET CHANGE IN NET FINANCIAL ASSETS	**276,228**	76,467
NET FINANCIAL ASSETS (DEBTS), BEGINNING OF THE YEAR	**(99,946)**	(176,413)
NET FINANCIAL ASSETS (DEBTS), END OF THE YEAR	**176,282**	(99,946)

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

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF CASH FLOW **Statement 4**
March 31, 2010

	2010 $	2009 $
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenditures	**153,080**	(59,054)
Non-cash items:		
Share of income (loss) of First Nation Controlled Entities	**45,024**	(24,484)
Depreciation	**125,031**	139,008
Deferred revenue	**(189,962)**	(16,292)
Changes in non-cash operating net assets	**(114,317)**	82,775
	18,856	121,953
FINANCING ACTIVITIES		
Repayment of Social Housing and Capital Funds long-term debt	**(48,963)**	(54,139)
Repayment on capital asset loan	**(13,955)**	(15,955)
	(62,918)	(70,094)
INVESTING ACTIVITIES		
Purchase of capital assets	**(1,105)**	-
CHANGE IN CASH DURING YEAR	**(45,167)**	51,859
CASH, BALANCE BEGINNING OF YEAR	**356,068**	304,209
CASH, BALANCE END OF YEAR	**310,901**	356,068
REPRESENTED BY:		
Cash	**114,403**	174,287
Restricted Cash	**196,498**	181,781
	310,901	356,068

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.

KANAKA BAR INDIAN BAND

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2010

NOTE 2: CAPITAL ASSETS

	COST $	ACCUMULATED DEPRECIATION $	2010 NET $	2009 NET $
Social Housing	862,278	326,717	**535,561**	763,174
Land	21,353	-	**21,353**	21,353
Domestic water systems	818,443	818,443	-	35,766
Equipment and furniture	49,318	48,635	**683**	1,270
Computer Equipment	24,465	22,998	**1,467**	944
Software	5,000	5,000	-	-
Automotive	280,243	258,943	**21,300**	52,950
Building	185,372	10,508	**174,864**	3,697
	2,246,472	1,491,244	**755,228**	879,154

NOTE 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	2010 $	2009 $
KWIOEK CREEK RESOURCES INC. (100%)		
Shares	**1**	1
Accumulated equity (deficit) in earnings	**(9,145)**	35,879
TOTAL	**(9,144)**	35,880

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

Financial information for the entity for year ending in 2010 is as follows:

	ASSETS $	LIABILITIES $	REVENUE $	NET INCOME (LOSS) $
Year ended March 31/10				
Kwoiek Creek Resources Inc.	**15,557**	**24,701**	**95,013**	**(45,024)**

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

	2010 $	2009 $
This loan has been fully paid during the year	-	15,051
All Nations Trust Company loan, payment of $2,400.32 per month including interest at 4.25% per annum, maturing April 1, 2010, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada; Subsequent to the year end, the mortgage was renewed with All Nations Trust Company, payment of $2,343.15 per month including interest at 1.61% per annum, maturing January 1, 2012, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**50,890**	77,050
This loan has been fully paid during the year	-	13,955
All Nations Trust Company loan, payments 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	**131,290**	139,043
	182,180	245,099

FUTURE PRINCIPAL REPAYMENTS

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

		$
2011		**35,519**
2012		**31,726**
2013		**8,668**
2014		**9,012**
2015	and beyond	**97,255**
		182,180

NOTE 6: MEMBERS' EQUITY

	2010 $	2009 $
Restricted		
Social Housing Fund	**483,980**	655,093
Trust Fund	**196,489**	181,772
Enterprise Fund	**2,076**	47,100
	682,545	883,965
Unrestricted		
Operating Fund	**35,835**	(201,023)
Capital Fund	**219,667**	102,025
	255,502	(98,998)
TOTAL EQUITY	**938,047**	784,967

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 $189,145.

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

	2010 $	2009 $
Deferred revenue is comprised of the following:		
Watermain Replacement 3551	**14,658**	14,658
New on Reserve Housing Approach 7450	**16,615**	16,615
Water Treatment Plant Construction 2131	**90,214**	263,806
Highway Access Feasibility Study 4502	**-**	16,370
	121,487	311,449

NOTE 10: 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 **Schedule 1**
STATEMENT OF FINANCIAL POSITION
March 31, 2010

	2010 $	2009 $
ASSETS		
Cash	**91,394**	143,758
Accounts receivable	**48,344**	84,812
Accounts receivable - tobacco	**34,599**	33,730
Member loans receivable	**41,764**	42,380
Property taxes receivable	**-**	500
Prepaid expenses	**6,537**	5,759
Inventory	**783**	3,524
Due from Fraser Canyon Tribal Administration	**2,443**	2,443
Due from Kanaka Bar Indian Band Social Housing	**15,929**	23,252
Due from Kwoiek Creek Resources Inc	**23,828**	26,237
	265,621	366,395
LIABILITIES		
Accounts payable	**82,951**	227,303
Deferred revenue	**121,487**	311,449
Due to Skuppah Indian Band	**25,348**	28,666
	229,786	567,418
MEMBERS' EQUITY		
Unrestricted	**35,835**	(201,023)
	265,621	366,395

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, 2010

		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 PROGRAMS											
Band Revenue and Support	3-1	127,357	58,757	-	-	186,114	231,702	(45,588)	(240,286)	-	**(285,874)**
Band Revenue	3-2	-	126,561	-	-	126,561	5,471	121,090	(94,843)	173,592	**199,839**
Indian Registry	3-3	1,481	-	-	-	1,481	1,481	-	-	-	-
Maintenance (O&M)	3-4	46,067	3,759	-	-	49,826	91,442	(41,616)	(77,546)	-	**(119,162)**
Safe Water Operations Program	3-5	15,600	-	-	-	15,600	15,600	-	-	-	-
Water GAP Analysis	3-6	-	-	-	-	-	-	-	-	-	-
HHSS Disengagement	3-7	-	-	-	-	-	13,278	(13,278)	55,744	-	**42,466**
Mountain Pine Beetle	3-8	-	-	-	-	-	-	-	30,098	-	**30,098**
Property Taxation	3-9	-	39,374	-	-	39,374	27,667	11,707	140,968	-	**152,675**
Summer Student Workers	3-10	-	-	-	-	-	1,031	(1,031)	-	-	**(1,031)**
Trails	3-11	-	4,300	-	-	4,300	4,300	-	-	-	-
		190,505	232,751	-	-	423,256	391,972	31,284	(185,865)	173,592	**19,011**
SOCIAL DEVELOPMENT											
Social Assistance - Basic Needs	3-12	105,402	-	-	-	105,402	93,252	12,150	(6,977)	-	**5,173**
Guardian Financial Assistance	3-13	1,275	-	-	-	1,275	2,956	(1,681)	792	-	**(889)**
Special Needs	3-14	5,145	-	-	-	5,145	5,635	(490)	(3,500)	-	**(3,990)**
Service Delivery	3-15	21,705	-	-	-	21,705	25,251	(3,546)	8,683	-	**5,137**
In Home Care	3-16	5,443	-	-	-	5,443	10,036	(4,593)	299	-	**(4,294)**
Service Delivery - In Home Care	3-17	1,771	-	-	-	1,771	4,321	(2,550)	2,834	-	**284**
National Child Benefit	3-18	23,260	-	-	-	23,260	23,260	-	-	-	-
Employment and Training	3-19	2,622	-	-	-	2,622	2,622	-	-	-	-
Family Violence - Prevention	3-20	2,777	-	-	-	2,777	1,625	1,152	-	-	**1,152**
		169,400	-	-	-	169,400	168,958	442	2,131	-	**2,573**

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, 2010

		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 $
CAPITAL											
ACRS Project 9201	3-21	-	-	-	-	-	-	-	-	-	-
Highway Access Feasibility Study	3-22	7,610	-	16,370	-	23,980	3,659	20,321	-	-	**20,321**
IR#1 Subdivision Feasibility 2795	3-23	-	-	-	-	-	-	-	(36,835)	-	**(36,835)**
IR#1 Water Treatment Plant 2131	3-24	-	-	263,806	(90,214)	173,592	-	173,592	-	(173,592)	-
Large Renewable Energy Initiative	3-25	-	-	-	-	-	-	-	-	-	-
Maintenance Building Site Design	3-26	-	-	-	-	-	-	-	(14,224)	-	**(14,224)**
New on Reserve Housing 7450	3-27	-	-	16,615	(16,615)	-	-	-	-	-	-
Watermain Replacement 3551	3-28	-	-	14,658	(14,658)	-	-	-	-	-	-
		7,610	-	311,449	(121,487)	197,572	3,659	193,913	(51,059)	(173,592)	**(30,738)**
HEALTH											
BC Solvent Abuse	3-29	-	733	-	-	733	721	12	-	-	**12**
Drinking Water	3-30	-	2,228	-	-	2,228	2,228	-	-	-	-
Mental Health	3-31	-	3,375	-	-	3,375	4,723	(1,348)	-	-	**(1,348)**
CHP/IP Health	3-32	-	12,086	-	-	12,086	11,708	378	-	-	**378**
Brighter Futures	3-33	-	6,563	-	-	6,563	6,238	325	-	-	**325**
NNADAP Health	3-34	-	14,872	-	-	14,872	15,084	(212)	-	-	**(212)**
Fraser Thompson Indian Services	3-35	-	13,500	-	-	13,500	10,700	2,800	(70)	-	**2,730**
		-	53,357	-	-	53,357	51,402	1,955	(70)	-	**1,885**

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, 2010

		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 $
EDUCATION											
Elementary/Secondary	3-36	9,628	-	-	-	9,628	5,431	4,197	16,033	-	**20,230**
Post Secondary	3-37	60,876	-	-	-	60,876	50,576	10,300	7,903	-	**18,203**
Private School	3-38	15,236	-	-	-	15,236	17,787	(2,551)	5,212	-	**2,661**
New Paths	3-39	-	9,012	-	-	9,012	10,689	(1,677)	10,194	-	**8,517**
School District Funds	3-40	-	3,922	-	-	3,922	3,922	-	-	-	-
FNESC - Career Fairs	3-41	-	5,000	-	-	5,000	5,000	-	-	-	-
New Relationship Trust	3-42	-	10,320	-	-	10,320	11,325	(1,005)	977	-	**(28)**
		85,740	28,254	-	-	113,994	104,730	9,264	40,319	-	**49,583**
ECONOMIC DEVELOPMENT											
Economic Development	3-43	10,884	-	-	-	10,884	10,884	-	-	-	-
Kwoiek Hydro Project	3-44	-	-	-	-	-	-	-	(6,479)	-	**(6,479)**
		10,884	-	-	-	10,884	10,884	-	(6,479)	-	**(6,479)**
TOTAL		**464,139**	**314,362**	**311,449**	**(121,487)**	**968,463**	**731,605**	**236,858**	**(201,023)**	-	**35,835**

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, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (1011)	-	**127,357**	127,391
Other	-	**58,757**	11,766
	-	**186,114**	139,157
EXPENDITURES			
Contracted services	-	-	12,362
Equipment lease	-	**4,561**	4,510
Honoraria	-	**4,350**	12,175
Insurance	-	**14,561**	10,450
Janitorial costs	-	-	3,300
Materials and supplies	-	**5,811**	16,086
Office and miscellaneous	-	**1,993**	3,535
Professional fees	-	**20,284**	19,345
Rent	-	-	21,075
Repairs and maintenance	-	**9,662**	-
Wages and benefits	-	**157,819**	129,160
Telephone	-	**5,661**	9,388
Travel	-	**7,000**	6,650
Utilities	-	-	2,729
	-	**231,702**	250,765
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(45,588)**	(111,608)
OPENING EQUITY (DEFICIT)		**(240,286)**	(207,316)
Transfers in (out)		-	78,638
EQUITY (DEFICIT) AT END OF YEAR		**(285,874)**	(240,286)

KANAKA BAR INDIAN BAND

BAND REVENUE **Schedule 3-2**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Interest	-	**1,043**	656
Rental	-	**2,800**	2,150
Administration - Kwoiek Creek Resources Limited Partnership	-	**103,000**	-
Tobacco sales	-	**358**	6,462
Other income	-	**19,360**	26,872
	-	**126,561**	36,140
EXPENDITURES			
Office and miscellaneous	-	**1,000**	620
Tobacco purchases	-	**3,726**	6,323
Wages and benefits	-	**745**	-
	-	**5,471**	6,943
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**121,090**	29,197
OPENING EQUITY (DEFICIT)		**(94,843)**	(124,040)
Transfers in (out)		**173,592**	-
EQUITY (DEFICIT) AT END OF YEAR		**199,839**	(94,843)

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

KANAKA BAR INDIAN BAND

INDIAN REGISTRY **Schedule 3-3**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2057)	-	**1,481**	3,674
EXPENDITURES			
Office and miscellaneous	-	**131**	108
Salaries and benefits	-	**1,350**	2,292
Travel	-	**-**	1,274
	-	**1,481**	3,674
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	-
OPENING EQUITY (DEFICIT)		**-**	-
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**-**	-

KANAKA BAR INDIAN BAND

MAINTENANCE (O & M) **Schedule 3-4**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Municipal services (4269)	-	**5,139**	5,969
- Roads and bridges (4267)	-	**25,627**	25,336
- Train - Fire Protection (4273)	-	**1,140**	1,140
- Water Systems (4211)	-	**14,161**	14,017
House maintenance	-	**3,759**	6,055
	-	**49,826**	52,517
EXPENDITURES			
Disposal	-	**4,576**	-
License, dues and fees	-	**10,312**	16,131
Loan payments - vehicle	-	**14,271**	17,156
Office and miscellaneous	-	**15**	21
Repairs and maintenance	-	**5,796**	4,963
Roads and bridges	-	**5,478**	8,097
Subcontract	-	**1,144**	1,350
Supplies	-	**10,424**	221
Utilities	-	**2,499**	4,659
Vehicle operations	-	**6,979**	9,944
Wages and benefits	-	**26,479**	2,368
Water systems maintenance	-	**3,469**	1,671
	-	**91,442**	66,581
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(41,616)**	(14,064)
OPENING EQUITY (DEFICIT)		**(77,546)**	(63,482)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**(119,162)**	(77,546)

KANAKA BAR INDIAN BAND

SAFE WATER OPERATIONS PROGRAM **Schedule 3-5**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (4525)	-	**15,600**	40,560
EXPENDITURES			
Wages and benefits	-	**15,600**	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 3-6

For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 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

HHSS DISENGAGEMENT **Schedule 3-7**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE	-	-	-
EXPENDITURES			
Professional fees	-	9,705	-
Supplies	-	-	1,477
Travel	-	3,573	600
	-	13,278	2,077
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	(13,278)	(2,077)
OPENING EQUITY (DEFICIT)		55,744	57,821
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		42,466	55,744

KANAKA BAR INDIAN BAND

MOUNTAIN PINE BEETLE **Schedule 3-8**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Central Interior First Nations	-	-	10,000
Government of Canada	-	-	45,967
	-	-	55,967
EXPENDITURES			
Contracted services	-	-	45,967
Repairs and maintenance	-	-	486
	-	-	46,453
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	9,514
OPENING EQUITY (DEFICIT)		**30,098**	20,584
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**30,098**	30,098

KANAKA BAR INDIAN BAND

PROPERTY TAXATION **Schedule 3-9**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
BC Hydro	-	**14,184**	14,184
Interest	-	-	804
Taxation	-	**25,190**	24,129
	-	**39,374**	39,117
EXPENDITURES			
Bad debts	-	**500**	23,408
Bank charges and interest	-	**3,253**	1,467
Honoraria	-	**1,200**	-
Land assessments	-	**703**	680
Materials and supplies	-	**1,557**	-
Travel	-	**8,404**	2,193
Wages and benefits	-	**12,050**	1,471
Workshops	-	-	676
	-	**27,667**	29,895
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**11,707**	9,222
OPENING EQUITY (DEFICIT)		**140,968**	131,746
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**152,675**	140,968

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

KANAKA BAR INDIAN BAND

PROPERTY TAXATION **Schedule 3-9**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
BC Hydro	-	14,184	14,184
Interest	-	-	804
Taxation	-	25,190	24,129
	-	39,374	39,117
EXPENDITURES			
Bad debts	-	500	23,408
Bank charges and interest	-	3,253	1,467
Honoraria	-	1,200	-
Land assessments	-	703	680
Materials and supplies	-	1,557	-
Travel	-	8,404	2,193
Wages and benefits	-	12,050	1,471
Workshops	-	-	676
	-	27,667	29,895
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	11,707	9,222
OPENING EQUITY (DEFICIT)		140,968	131,746
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		152,675	140,968

KANAKA BAR INDIAN BAND

SUMMER STUDENT WORKERS **Schedule 3-10**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE	-	-	-
EXPENDITURES			
Wages and benefits	-	1,031	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,031)**	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**(1,031)**	-

KANAKA BAR INDIAN BAND

TRAILS **Schedule 3-11**
For the year ended March 31, 2010

	2010		2009
	Budget	Actual	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		-	-

KANAKA BAR INDIAN BAND

SOCIAL ASSISTANCE - BASIC NEEDS **Schedule 3-12**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2305)	-	**110,262**	97,133
- Prior year (recoveries)	-	**(4,860)**	-
	-	**105,402**	97,133
EXPENDITURES			
Basic Needs	-	**47,042**	39,487
Shelter	-	**46,210**	44,353
	-	**93,252**	83,840
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**12,150**	13,293
OPENING EQUITY (DEFICIT)		**(6,977)**	(20,270)
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**5,173**	(6,977)

KANAKA BAR INDIAN BAND

GUARDIAN FINANCIAL ASSISTANCE **Schedule 3-13**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2307)	-	**2,067**	5,207
- Prior year (recoveries)	-	**(792)**	-
	-	**1,275**	5,207
EXPENDITURES			
Guardian financial assistance	-	**2,956**	1,208
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,681)**	3,999
OPENING EQUITY (DEFICIT)		**792**	(3,207)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**(889)**	792

KANAKA BAR INDIAN BAND

SPECIAL NEEDS **Schedule 3-14**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2320)	-	**5,244**	5,299
- Prior year (recoveries)	-	**(99)**	-
	-	**5,145**	5,299
EXPENDITURES			
Special needs	-	**5,635**	8,305
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(490)**	(3,006)
OPENING EQUITY (DEFICIT)		**(3,500)**	(494)
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**(3,990)**	(3,500)

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

KANAKA BAR INDIAN BAND

SERVICE DELIVERY **Schedule 3-15**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2330)	-	**21,705**	21,705
EXPENDITURES			
Salaries and benefits	-	**19,230**	300
Service delivery expenses	-	**6,021**	15,468
Travel	-	**-**	2,214
	-	**25,251**	17,982
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(3,546)**	3,723
OPENING EQUITY (DEFICIT)		**8,683**	4,960
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**5,137**	8,683

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

KANAKA BAR INDIAN BAND

IN HOME CARE **Schedule 3-16**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2395)	-	**10,038**	9,713
- Prior year (recoveries)	-	**(4,595)**	-
	-	**5,443**	9,713
EXPENDITURES			
Adult care	-	**10,036**	9,713
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(4,593)**	-
OPENING EQUITY (DEFICIT)		**299**	299
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**(4,294)**	299

KANAKA BAR INDIAN BAND

SERVICE DELIVERY - IN HOME CARE **Schedule 3-17**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2399)	-	**1,771**	1,714
EXPENDITURES			
Miscellaneous	-	**4,321**	333
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(2,550)**	1,381
OPENING EQUITY (DEFICIT)		**2,834**	1,453
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**284**	2,834

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

KANAKA BAR INDIAN BAND

NATIONAL CHILD BENEFIT

Schedule 3-18

For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2440)	-	**23,260**	21,245
EXPENDITURES			
National Child Benefit	-	**19,638**	21,245
Supplies	-	**450**	-
Wages and benefits	-	**3,172**	-
	-	**23,260**	**21,245**
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

EMPLOYMENT AND TRAINING **Schedule 3-19**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2308)	-	**2,622**	2,208
EXPENDITURES			
Employment and training	-	**2,622**	2,208
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

FAMILY VIOLENCE - PREVENTION PROJECT
For the year ended March 31, 2010

Schedule 3-20

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2420)	-	2,777	2,777
EXPENDITURES			
Contracted services	-	558	2,777
Donations	-	300	-
Supplies	-	767	-
	-	1,625	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	1,152	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		1,152	-

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

KANAKA BAR INDIAN BAND

ACRS PROJECT 9201
For the year ended March 31, 2010

Schedule 3-21

	2010 Budget $	2010 Actual $	2009 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		-	-

KANAKA BAR INDIAN BAND

HIGHWAY ACCESS FEASIBILITY STUDY 4502
For the year ended March 31, 2010

Schedule 3-22

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada	-	7,610	-
Allocation from deferred revenue	-	16,370	17,055
Allocation to deferred revenue	-	-	(16,370)
	-	23,980	685
EXPENDITURES			
Engineering fees	-	3,659	685
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	20,321	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
EQUITY (DEFICIT) END OF THE YEAR		20,321	-

KANAKA BAR INDIAN BAND

IR#1 SUBDIVISION EXTENSION FEASIBILITY 2795 **Schedule 3-23**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 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 3-24

For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Allocation from deferred revenue	-	263,806	263,806
Deferred revenue, end of year	-	(90,214)	(263,806)
	-	173,592	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	173,592	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		(173,592)	-
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 3-25**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 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		-	-

KANAKA BAR INDIAN BAND

MAINTENANCE BUILDING SITE DESIGN

Schedule 3-26

For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 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)

KANAKA BAR INDIAN BAND

NEW ON RESERVE HOUSING 7450
For the year ended March 31, 2010

Schedule 3-27

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Allocation from deferred revenue	-	**16,615**	32,222
Allocation to deferred revenue	-	**(16,615)**	(16,615)
	-	-	15,607
EXPENDITURES			
Repairs and maintenance	-	-	15,607
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

WATERMAIN REPLACEMENT 3551 **Schedule 3-28**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 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)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

BC SOLVENT ABUSE **Schedule 3-29**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Fraser Canyon Health	-	733	-
EXPENDITURES			
Administration	-	73	-
Contracted services	-	648	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	12	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	12	-

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

KANAKA BAR INDIAN BAND

DRINKING WATER **Schedule 3-30**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Fraser Canyon Health	-	2,228	-
EXPENDITURES			
Administration fees	-	223	-
Wages and benefits	-	2,005	-
	-	2,228	-
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

MENTAL HEALTH **Schedule 3-31**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Fraser Canyon Health	-	3,375	-
EXPENDITURES			
Administration fees	-	338	-
Contracted services	-	2,685	-
Supplies	-	1,700	-
	-	4,723	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(1,348)	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
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 **Schedule 3-32**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Fraser Canyon Health	-	12,086	-
EXPENDITURES			
Administration fees	-	1,209	-
Contracted services	-	400	-
Licence, dues and fees	-	85	-
Office and miscellaneous	-	1,550	-
Supplies	-	678	-
Travel	-	1,492	-
Wages and benefits	-	6,294	-
	-	11,708	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	378	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	378	-

KANAKA BAR INDIAN BAND

BRIGHTER FUTURES **Schedule 3-33**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Fraser Canyon Health	-	6,563	-
EXPENDITURES			
Administration fees	-	656	-
Donations	-	300	-
Kids' activities	-	4,702	-
Supplies	-	580	-
	-	6,238	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	325	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	325	-

KANAKA BAR INDIAN BAND

NNADAP HEALTH
For the year ended March 31, 2010

Schedule 3-34

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Fraser Canyon Health	-	14,872	-
EXPENDITURES			
Administration fees	-	1,487	-
Capital acquisitions	-	1,105	-
Contracted services	-	450	-
Licence, dues and fees	-	50	-
Nutrition	-	1,306	-
NNADAP	-	350	-
Supplies	-	2,542	-
Travel	-	1,255	-
Wages and benefits	-	6,539	-
	-	15,084	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(212)	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		-	-
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 **Schedule 3-35**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Fraser Thompson Indian Services Society	-	**13,500**	13,500
EXPENDITURES			
Contracted services	-	**-**	1,960
Supplies	-	**1,351**	-
Wages and benefits	-	**9,349**	11,610
	-	**10,700**	13,570
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**2,800**	(70)
OPENING EQUITY (DEFICIT)		**(70)**	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**2,730**	(70)

KANAKA BAR INDIAN BAND

EDUCATION - ELEMENTARY/SECONDARY **Schedule 3-36**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Ancillary Services (2126)	-	**3,960**	4,840
- Financial Assistance Allowance (2138)	-	**1,870**	2,541
- Guidance and Counselling (2139)	-	**2,412**	2,940
- Comprehensive Education Support Services (2141)	-	**1,386**	1,700
	-	**9,628**	12,021
EXPENDITURES			
Allowance	-	**1,070**	1,908
Supplies	-	**3,275**	2,421
Tuition	-	**935**	600
Travel	-	**151**	271
	-	**5,431**	5,200
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**4,197**	6,821
OPENING EQUITY (DEFICIT)		**16,033**	9,212
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**20,230**	16,033

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

KANAKA BAR INDIAN BAND

EDUCATION - POST SECONDARY

Schedule 3-37

For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2270)	-	**60,876**	69,344
EXPENDITURES			
Allowances	-	**39,081**	20,772
Guidance and counselling education	-	-	2,280
Supplies	-	**2,338**	1,743
Travel	-	**400**	717
Tuition	-	**8,757**	35,929
	-	**50,576**	61,441
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**10,300**	7,903
OPENING EQUITY (DEFICIT)		**7,903**	78,638
Transfers in (out)		-	(78,638)
EQUITY (DEFICIT) AT END OF YEAR		**18,203**	7,903

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

KANAKA BAR INDIAN BAND

PRIVATE SCHOOL **Schedule 3-38**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (2127)	-	**15,236**	14,088
EXPENDITURES			
Tuition	-	**17,787**	14,088
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	**(2,551)**	-
OPENING EQUITY (DEFICIT)		**5,212**	5,212
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**2,661**	5,212

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

KANAKA BAR INDIAN BAND

NEW PATHS **Schedule 3-39**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
First Nations Education Steering Committee	-	**9,012**	19,635
EXPENDITURES			
Supplies	-	**92**	1,737
Wages and benefits	-	**10,597**	7,704
	-	**10,689**	9,441
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,677)**	10,194
OPENING EQUITY (DEFICIT)		**10,194**	-
Transfer in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**8,517**	10,194

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

KANAKA BAR INDIAN BAND

SCHOOL DISTRICT FUNDS **Schedule 3-40**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
School District #74 - Bus Funds	-	**3,922**	4,037
EXPENDITURES			
Wages and benefits	-	**3,922**	4,037
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		-	-

KANAKA BAR INDIAN BAND

FNESC - CAREER FAIRS **Schedule 3-41**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
First Nations Education Steering Committee	-	**5,000**	4,609
EXPENDITURES			
FNESC - Career fair and field trip initiative	-	**5,000**	4,609
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	-
OPENING EQUITY (DEFICIT)		**-**	-
Transfers in (out)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR		**-**	-

KANAKA BAR INDIAN BAND

NEW RELATIONSHIP TRUST **Schedule 3-42**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Other income	-	**10,320**	2,500
EXPENDITURES			
New Relationship Trust	-	-	878
Supplies	-	**1,794**	-
Travel	-	**1,521**	645
Vehicle expenses	-	**107**	-
Wages and benefits	-	**7,903**	-
	-	**11,325**	1,523
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,005)**	977
OPENING EQUITY (DEFICIT)		**977**	-
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**(28)**	977

Need revenue contracts, is the revenue ok?

KANAKA BAR INDIAN BAND

ECONOMIC DEVELOPMENT **Schedule 3-43**
For the year ended March 31, 2010

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Indian and Northern Affairs Canada (4180)	-	**10,884**	10,344
EXPENDITURES			
Roads and bridges	-	**40**	-
Subcontract	-	**400**	-
Training	-	**-**	880
Travel	-	**-**	261
Wages and benefits	-	**10,444**	9,203
	-	**10,884**	10,344
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, 2010

Schedule 3-44

	2010 Budget $	2010 Actual $	2009 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)		**(6,479)**	(5,449)
Transfers in (out)		-	-
EQUITY (DEFICIT) AT END OF YEAR		**(6,479)**	(6,479)

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND **Schedule 4**
SCHEDULE OF FINANCIAL POSITION
March 31, 2010

	2010 $	2009 $
ASSETS		
Cash	**23,009**	30,529
Accounts receivable - renters	**1,604**	116,657
Canada Mortgage and Housing Corporation interest subsidy receivable	**124,959**	2,248
Cash - Replacement Reserve Fund (Note 7)	**9**	9
Capital assets (Note 2)	**535,561**	763,174
	685,142	912,617
LIABILITIES		
Accounts payable	**2,401**	2,399
Accrued mortgage interest payable	**652**	730
Due to Kanaka Bar Indian Band	**15,929**	23,251
Long-term debt (Note 5)	**182,180**	231,144
	201,162	257,524
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	**(58,554)**	(57,422)
Replacement Reserve Fund (Note 7)	**189,153**	180,484
Equity in Housing Facilities	**353,381**	532,031
	483,980	655,093
	685,142	912,617

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, 2010

Schedule 5

	2010 Budget $	2010 Actual $	2009 Actual $
REVENUE			
Rental income	-	**72,218**	77,589
Canada Mortgage & Housing Corporation interest subsidy	-	**23,755**	27,378
Interest Income	-	-	349
	-	**95,973**	105,316
EXPENDITURES			
Operating costs			
Garbage	-	**2,600**	2,600
Insurance	-	**11,884**	12,501
Repairs and maintenance	-	**4,401**	622
	-	**18,885**	15,723
Administration costs			
Administration fees	-	**8,346**	8,482
Professional fees	-	**2,410**	2,495
	-	**10,756**	10,977
Amortization costs			
Mortgage interest	-	**8,004**	10,313
Mortgage principal repayments	-	**48,963**	54,139
	-	**56,967**	64,452
Reserves			
Appropriations to Replacement Reserve Fund	-	**10,497**	14,164
	-	**97,105**	105,316
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,132)**	-
OPENING EQUITY (DEFICIT)	-	**(57,422)**	(57,422)
EQUITY (DEFICIT) AT END OF THE YEAR	-	**(58,554)**	(57,422)

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND
SCHEDULE OF REVENUE AND EXPENDITURES
REPLACEMENT RESERVE (NOTE 7) — Schedule 6
March 31, 2010

	2010 $	2009 $
REVENUE		
Appropriations from the Operating Fund	**10,497**	14,164
EXPENDITURES		
Repairs and maintenance	**1,828**	557
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**8,669**	13,607
EQUITY (DEFICIT) AT THE BEGINNING OF THE YEAR	**180,484**	166,877
EQUITY (DEFICIT) AT THE END OF THE YEAR	**189,153**	180,484

KANAKA BAR INDIAN BAND

CAPITAL FUND **Schedule 7**
SCHEDULE OF FINANCIAL POSITION
March 31, 2010

	2010 $	2009 $
ASSETS (Note 2)		
Automotive	**21,302**	52,953
Buildings	**174,865**	3,697
Capital Water Project	**-**	35,766
Computer equipment	**1,467**	944
Equipment and furniture	**683**	1,270
Land	**21,350**	21,350
	219,667	115,980
LIABILITIES AND EQUITY		
GMAC loan payable (Note 6)	**-**	13,955
Members' Equity	**219,667**	102,025
	219,667	115,980

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

KANAKA BAR INDIAN BAND

CAPITAL FUND
SCHEDULE OF CHANGES IN EQUITY
March 31, 2010

Schedule 8

	2010 $	2009 $
ADDITIONS		
Matured phases transferred from Social Housing	**178,650**	-
Capital outlays/principal reduction	**15,060**	15,955
	193,710	15,955
LESS		
Depreciation of capital assets	**76,068**	84,869
	117,642	(68,914)
OPENING EQUITY (DEFICIT)	**102,025**	170,939
EQUITY (DEFICIT) AT THE END OF YEAR	**219,667**	102,025

KANAKA BAR INDIAN BAND

TRUST FUND **Schedule 9**
SCHEDULE OF FINANCIAL POSITION
March 31, 2010

	2010 $	2009 $
ASSETS (Note 4)		
Cash in Ottawa Trust Funds	**196,489**	181,772
LIABILITIES AND EQUITY		
Equity in Ottawa Trust Funds	**196,489**	181,772

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, 2010

	2010 $	2009 $
ADDITIONS		
Interest earned	**10,797**	3,549
BC special	**519**	523
Canadian Pacific Railway Company	**3,401**	3,328
	14,717	7,400
OPENING EQUITY (DEFICIT)	**181,772**	174,372
EQUITY (DEFICIT) AT THE END OF YEAR	**196,489**	181,772

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

KANAKA BAR INDIAN BAND

ENTERPRISE FUND **Schedule 11**
SCHEDULE OF FINANCIAL POSITION
March 31, 2010

	2010 $	2009 $
ASSETS		
Investment in All Nations Trust Company	**11,220**	11,220
Investments, Loans and Advances to First Nation Controlled Entities (Note 3)	**-**	35,880
	11,220	47,100
LIABILITIES AND EQUITY		
Investments, Loans and Advances to First Nation Controlled Entities (Note 3)	**9,144**	-
MEMBERS' EQUITY	**2,076**	47,100
	11,220	47,100

KANAKA BAR INDIAN BAND

ENTERPRISE FUND **Schedule 12**
STATEMENT OF OPERATIONS AND CHANGES IN EQUITY
March 31, 2010

	2010 $	2009 $
REVENUES		
Share of Net Income (Loss) for the year:		
Kwoiek Creek Resources Inc	**(45,024)**	24,484
EXPENDITURES	**-**	**-**
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**(45,024)**	**24,484**
OPENING EQUITY (DEFICIT)	**47,100**	**22,616**
EQUITY (DEFICIT) AT THE END OF YEAR	**2,076**	**47,100**

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

KANAKA BAR INDIAN BAND SOCIAL HOUSING

FINANCIAL STATEMENTS
March 31, 2010

KANAKA BAR INDIAN BAND SOCIAL HOUSING

INDEX TO THE FINANCIAL STATEMENTS
March 31, 2010

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.

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Chief

____

Councillor

AUDITORS' REPORT

To: Canada Mortgage & Housing Corporation And
The Members Of Kanaka Bar Indian Band

We have audited the balance sheet of the Kanaka Bar Indian Band Social Housing as at March 31, 2010 and the Statement of Changes in Band Members' Equity and Funds and Revenue and Expenditures for the year then ended. These financial statements are the responsibility of the Housing Program'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 the management, as well as evaluating the overall financial statement presentation.

Notes 1b and 1c describe the depreciation policy with respect to the Housing Projects. The notes also indicate that the band is not depreciating the Housing Projects. In this respect, the financial statements are not in accordance with Canadian generally accepted accounting principles.

In our opinion,

The Kanaka Bar Indian Band Housing Program:

- has not requested nor obtained evidence of the incomes of lessees paying rent according to the rent-to-income scale as required by sub-paragraph 2 (5) of the Operating Agreement with Canada Mortgage & Housing Corporation;

- has not applied the rent-to-income ratio for lessees in accordance with sub-paragraph 2 (5) of the Operating Agreement;

- has not adjusted the rental charges for rent-to-income leases in accordance with paragraph 2 (5) of the Operating Agreement.

AUDITORS' REPORT (continued)

The financial statements present fairly in all material respects, the financial position of the Kanaka Bar Indian Band Social Housing as at March 31, 2010 and the results of its operation and the changes in Band Members' Equity and Funds for the year then ended, in accordance with Canadian generally accepted accounting principles appropriate for Housing Programs as set out by Canada Mortgage & Housing Corporation.

With reference to the Statements of the Replacement Reserve Fund presented in the audited financial statements for the year ended March 31, 2010, the Replacement Reserve Fund is underfunded by $189,144 (2009 - $180,475). All interest accruing to these Funds has been recorded.

Reid Hurst Nagy Inc.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

DECEMBER 9, 2010
RICHMOND, B.C.

KANAKA BAR INDIAN BAND SOCIAL HOUSING

STATEMENT OF REVENUE AND EXPENDITURES
OPERATING FUND — **Statement 1**
For the year ending March 31, 2010

	2010 Actual $	2009 Actual $
REVENUE		
Rental	**72,218**	77,589
Canada Mortgage & Housing Corporation interest subsidy	**23,755**	27,378
Interest	**-**	349
	95,973	105,316
EXPENDITURES		
OPERATING COSTS		
Garbage removal	**2,600**	2,600
Insurance	**11,884**	12,501
Repairs and maintenance	**4,401**	622
	18,885	15,723
ADMINISTRATION COSTS		
Administration fees	**8,346**	8,482
Audit fees	**2,410**	2,495
	10,756	10,977
DEPRECIATION COSTS		
Mortgage interest	**8,004**	10,313
Mortgage principal repayments	**48,963**	54,139
	56,967	64,452
RESERVES		
Appropriations to Replacement Reserve Fund	**10,497**	14,164
	97,105	105,316
(DEFICIT) SURPLUS OF REVENUE OVER EXPENSE	**(1,132)**	-

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, 2010

	2010 $	2009 $
OPERATING FUND		
Balance, beginning of the year	**(57,422)**	(57,422)
Current year deficit	**(1,132)**	-
Balance, end of the year	**(58,554)**	(57,422)
REPLACEMENT RESERVE FUND (Note 5)		
Balance, beginning of the year	**180,484**	166,877
Current year appropriations	**10,497**	14,164
Current year expenditures	**(1,828)**	(557)
Balance, end of the year	**189,153**	180,484

The accompanying notes are an integral part of these financial statements

KANAKA BAR INDIAN BAND SOCIAL HOUSING

BALANCE SHEET **Statement 3**
As At March 31, 2010

	2010 $	2009 $
ASSETS		
CURRENT		
Cash (Note 2)	**23,009**	30,529
Canada Mortgage & Housing Corporation interest subsidy receivable	**1,604**	2,248
Rent receivable	**124,959**	116,657
	149,572	149,434
CAPITAL		
Housing units	**862,278**	1,298,583
Less: accumulated depreciation	**326,717**	535,409
	535,561	763,174
RESTRICTED		
Cash - Replacement Reserve Fund	**9**	9
	685,142	912,617

Approved On Behalf of
The Kanaka Bar Indian Band

______________________________ Chief

______________________________ Councillor

The accompanying notes are an integral part of these financial statements

KANAKA BAR INDIAN BAND SOCIAL HOUSING

BALANCE SHEET **Statement 3**
As At March 31, 2010

	2010 $	2009 $
LIABILITIES		
CURRENT		
Accounts payable	**2,401**	2,399
Accrued mortgage interest payable	**652**	730
Current portion of long-term debt (Note 4)	**35,519**	48,862
Due to Kanaka Bar Indian Band	**15,929**	23,251
	54,501	75,242
LONG-TERM DEBT (Note 4)	**146,661**	182,282
	201,162	257,524
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	**(58,554)**	(57,422)
Replacement Reserve Fund (Note 5)	**189,153**	180,484
Equity in Housing Facilities	**353,381**	532,031
	483,980	655,093
	685,142	912,617

KANAKA BAR INDIAN BAND SOCIAL HOUSING

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2010

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. No depreciation os calculated on capital assets.

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;

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:

	2010 $	2009 $
Operating Account		
Royal Bank of Canada	**23,009**	30,529

NOTE 3: RESTRICTED FUNDS

'Restricted Funds' is comprised of:

	2010 $	2009 $
Replacement Reserve Fund:		
Royal Bank of Canada	**9**	9

KANAKA BAR INDIAN BAND SOCIAL HOUSING

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2010

NOTE 4: LONG-TERM DEBT

	2010 $	2009 $
This loan has been fully paid during the year	-	15,051
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; Subsequent to the year end, the mortgage was renewed with All Nations Trust Company, payment of $2,343.15 per month including interest at 1.61% per annum, maturing January 1, 2012, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**50,890**	77,050
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	**131,290**	139,043
	182,180	231,144
Less: current portion	**(35,519)**	(48,862)
TOTAL	**146,661**	280,006

FUTURE PRINCIPAL REPAYMENTS

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

	$
2011	**35,519**
2012	**31,726**
2013	**8,668**
2014	**9,012**
2015 and thereafter	**97,255**
	182,180

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 $189,144 (2009 - $180,475).

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 $15,929 as of March 31, 2010 for working capital purposes ($23,251 as of March 31, 2009). 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.

KWOIEK CREEK RESOURCES INC.

FINANCIAL STATEMENTS
March 31, 2010
(Unaudited)

KWOIEK CREEK RESOURCES INC.

INDEX TO THE FINANCIAL STATEMENTS
March 31, 2010
(Unaudited)

REVIEW ENGAGEMENT REPORT

To: The Shareholders of
Kwoiek Creek Resources Inc.

We have reviewed the balance sheet of Kwoiek Creek Resources Inc. as at March 31, 2010 and the statements of loss, deficit, and cash flows for the year then ended. 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.

Based on our review, 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

DECEMBER 8, 2010
RICHMOND, B.C.

KWOIEK CREEK RESOURCES INC.

STATEMENT OF LOSS
For the year ended March 31, 2010
(Unaudited)

	2010 $	%	2009 $	%	2008 $	%
REVENUE	**95,013**	*100.0*	220,386	*100.0*	3,198	*100.0*
EXPENSES						
Bank charges and interest	**702**	*0.7*	386	*0.2*	25	*0.8*
Consulting fees	**8,736**	*9.2*	62,385	*28.3*	169	*5.3*
Contracted services	**13,000**	*13.7*	13,525	*6.1*	15,998	*500.3*
Depreciation	**6,210**	*6.5*	8,871	*4.0*	12,674	*396.3*
Honoraria	**8,500**	*8.9*	11,250	*5.1*	13,700	*428.4*
Office and miscellaneous	**2,858**	*3.0*	-		1,088	*34.0*
Professional development	**1,630**	*1.7*	2,496	*1.1*	1,765	*55.2*
Professional fees	**3,040**	*3.2*	11,196	*5.1*	61,962	*1,937.5*
Travel	**6,548**	*6.9*	1,951	*0.9*	3,752	*117.3*
Vehicle	**6,151**	*6.5*	5,750	*2.6*	5,803	*181.5*
Wages and benefits	**82,662**	*87.0*	78,443	*35.6*	82,872	*2,591.4*
	140,037	*147.4*	196,253	*89.0*	199,808	*6,247.9*
INCOME (LOSS) FROM OPERATIONS	**(45,024)**	*(47.4)*	24,133	*11.0*	(196,610)	*(6,147.9)*
OTHER INCOME						
Interest income	**-**		350	*0.2*	-	
Miscellaneous income	**-**		-		1,750	*54.7*
	-		350	*0.2*	1,750	*54.7*
NET INCOME (LOSS)	**(45,024)**	*(47.4)*	24,483	*11.1*	(194,860)	*(6,093.2)*

KWOIEK CREEK RESOURCES INC.

STATEMENT OF DEFICIT
For the year ended March 31, 2010
(Unaudited)

	2010 $	2009 $	2008 $
Balance, beginning of the year	**35,879**	11,396	206,256
Net income (loss)	**(45,024)**	24,483	(194,860)
Balance, end of the year	**(9,145)**	35,879	11,396

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

BALANCE SHEET
As at March 31, 2010
(Unaudited)

	2010	2009	2008
	$	$	$
ASSETS			
CURRENT			
Cash	**1,067**	42,164	7,854
CAPITAL (Note 2)	**14,490**	20,700	29,572
OTHER			
Due from Kanaka Bar Indian Band (Note 3)	-	-	4,415
	15,557	62,864	41,841
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	-	-	28,600
Wages and benefits payable	**873**	747	1,844
	873	747	30,444
OTHER			
Due to Kanaka Bar Indian Band (Note 3)	**23,828**	26,237	-
	24,701	26,984	30,444
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital (Note 4)	**1**	1	1
Retained earnings (deficit)	**(9,145)**	35,879	11,396
	(9,144)	35,880	11,397
	15,557	62,864	41,841

Approved on behalf of the Board:

_____________________________ Director

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

STATEMENT OF CASH FLOWS
For the year ended March 31, 2010
(Unaudited)

	2010	2009	2008
	$	$	$
OPERATING ACTIVITIES			
Net income (loss)	**(45,024)**	24,483	(194,860)
ADJUSTMENT FOR NON-CASH ITEM			
Depreciation	**6,210**	8,871	12,674
	(38,814)	33,354	(182,186)
NET CHANGES IN NON-CASH WORKING CAPITAL			
Accounts payable and accrued liabilities	-	(28,599)	25,012
Wages and benefits payable	**126**	(1,097)	1,520
	(38,688)	3,658	(155,654)
FINANCING ACTIVITY			
Advances to related party	**(2,409)**	30,652	29,157
NET INCREASE (DECREASE) IN CASH	**(41,097)**	34,310	(126,497)
CASH, beginning of the year	**42,164**	7,854	134,351
CASH, end of the year	**1,067**	42,164	7,854

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2010
(Unaudited)

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

These financial statements are prepared in accordance with Canadian generally accepted accounting principles. The significant policy is detailed as follows:

Capital

Capital are recorded at cost. The company provides for depreciation using the following methods at rates designed to depreciate the cost of the capital over their estimated useful lives. The annual depreciation rates and methods are as follows:

Vehicles	30% Declining balance

2: CAPITAL

	Cost	Accumulated depreciation	2010 Net	2009 Net	2008 Net
	$	$	$	$	$
Vehicles	**49,700**	**35,210**	**14,490**	20,700	29,572

3: DUE FROM/TO RELATED PARTY

The balances due from related parties are unsecured, non-interest bearing with no specific terms of repayment.

4: SHARE CAPITAL

	2010	2009	2008
	$	$	$
Authorized with an unlimited number of the following			
10,000 Common shares wihtout par value			
Issued and outstanding			
1 Common share wihtout par value	**1**	1	1

5: 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.

6: FINANCIAL INSTRUMENTS

The company's financial instruments include cash and accounts payable and accruals. The carrying value of these instruments approximates their fair value due to their short-term maturities

The company is exposed to the following risks in respect of certain of the financial instruments held:

(a) Fair value

The company's carrying value of cash, and accounts payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

The fair value of the amounts due from related parties are less than carrying value, as the amounts are non-interest bearing. As the amounts have no terms of repayment, the fair value cannot be calculated with any degree of certainty.

(b) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers.

Kanaka Bar Indian Band

KANAKA BAR INDIAN BAND

March 31, 2010

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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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, 2010 and the summary statements of operations, change in net financial assets 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, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles for First Nations in British Columbia applied on a basis consistent with that of the preceding year.

Reid Hurst Nagy Inc.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

JANUARY 12, 2011
RICHMOND, B.C.