KANAKA BAR INDIAN BAND

AUDITED
FINANCIAL STATEMENTS
MARCH 31, 2007

KANAKA BAR INDIAN BAND
INDEX TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2007

KANAKA BAR INDIAN BAND

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Kanaka Band

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KANAKA BAR INDIAN BAND

March 31, 2007

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, Certified General Accountants, in accordance with Canadian generally accepted auditing standards on behalf of the Members. Reid Hurst Nagy has full and free access to the First Nation Council.

______________ Chief ______________ Councillor

July 26/07 Date

REIDHURSTNAGY
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 the Kanaka Bar Indian Band as at March 31, 2007 and the summary statements of operations, cash flows and receipt and disposal of capital moneys 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 the management of the First Nation, 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, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles for First Nations in B.C. applied on a basis consistent with that of the preceding year.

Reid Hurst Nagy

REID HURST NAGY
CERTIFIED GENERAL ACCOUNTANTS

JULY 24, 2007
RICHMOND, B.C.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF FINANCIAL POSITION

Statement 1

March 31, 2007

	2007 $	2006 $
ASSETS		
Cash	**313,446**	233,760
Restricted cash	**163,390**	149,709
Accounts receivable	**12,662**	17,661
Accounts receivable - renters	**62,855**	53,255
Accounts receivable - tobacco	**35,900**	30,720
Member loans receivable	**50,507**	56,560
Property taxes receivable	**23,408**	23,408
Prepaid expenses	**4,440**	5,754
Inventory	**3,494**	2,174
Funds held in trust	**-**	596
Due from Kwoiek Creek Resources Inc.	**-**	26,436
Due from Fraser Canyon Tribal Administration	**2,443**	6,173
Capital assets (Note 2)	**1,115,296**	1,263,589
Investment in All Nations Trust Company	**11,220**	11,220
Investment in First Nation Controlled Entities (Note 3)	**206,258**	-
	2,005,319	1,881,015
LIABILITIES		
Accounts payable	**35,356**	165,068
Deferred revenue (Note 9)	**355,527**	354,795
Due to Kwoiek Creek Resources Inc.	**34,524**	-
Due to Skuppah Indian Band	**25,875**	32,048
Long-term debt (Note 5)	**381,816**	445,443
	833,098	997,354
MEMBERS' EQUITY (Note 6)		
Restricted	**1,011,133**	778,849
Unrestricted	**161,088**	104,812
	1,172,221	883,661
	2,005,319	1,881,015

APPROVED ON BEHALF OF
THE KANAKA BAR INDIAN BAND

______________ Chief

______________ Councillor

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, 2007

	2007 $	2006 $
REVENUE		
Indian and Northern Affairs Canada	**561,686**	421,373
Fraser Thompson Indian Services Society	**-**	24,778
Miscellaneous income	**226,026**	152,270
Rental income	**91,531**	72,171
Ottawa Trust Funds	**13,681**	13,681
Enterprise Fund	**206,258**	-
Interest Income	**40,647**	37,586
Allocation from deferred revenue	**354,795**	374,208
	1,494,624	1,096,067
EXPENDITURES		
Administration fees	**-**	21,600
Allocation to deferred revenue	**355,527**	354,795
Contracted services	**47,758**	254,564
Equipment purchases/rentals	**17,155**	21,334
Honoraria	**14,550**	15,625
Insurance	**13,566**	20,535
Office and miscellaneous	**15,909**	2,351
Professional fees	**14,948**	16,900
Program costs	**93,908**	61,841
Repairs and maintenance	**28,972**	33,408
Salaries, wages and benefits	**190,761**	161,857
Social Housing	**103,842**	103,234
Social assistance	**123,774**	212,547
Supplies	**60,995**	32,392
Telephone and utilities	**6,877**	9,694
Travel	**19,738**	24,381
Vehicle	**13,118**	10,291
	1,121,398	1,357,349
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**373,226**	(261,282)

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

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF CASH FLOWS — Statement 3
March 31, 2007

	2007 $	2006 $
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenditures	**373,226**	(261,282)
Non-operating items:		
Share of (income) loss of First Nation Controlled Entities	**(206,258)**	-
Adjustment for Capital and Investment Transactions included in Operations:		
Principal repayment on long term debt	**63,626**	61,519
Changes in non-cash operating net assets	**(73,601)**	125,808
	156,993	(73,955)
FINANCING ACTIVITIES		
Repayment of Social Housing and Capital Funds long-term debt	**(63,626)**	(61,519)
INVESTING ACTIVITIES		
Purchase of capital assets	**-**	(4,388)
CHANGES IN CASH DURING YEAR	**93,367**	(139,862)
CASH AT BEGINNING OF YEAR	**383,469**	523,331
CASH AT END OF YEAR	**476,836**	383,469
REPRESENTED BY:		
Cash	**313,446**	233,760
Restricted Cash	**163,390**	149,709
	476,836	383,469

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
Ice Rink	5 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.

f) Comparative Figures

Prior year's comparative figures were prepared by another accountant and have been reclassified where necessary to conform to the current year's presentation.

NOTE 2: CAPITAL ASSETS

	COST $	ACCUMULATED DEPRECIATION $	2007 NET $	2006 NET $
Social Housing	1,298,583	429,779	**868,804**	918,077
Land	21,353	-	**21,353**	21,353
Domestic water systems	818,443	711,149	**107,294**	157,096
Equipment and furniture	49,314	44,274	**5,040**	7,178
Computer Equipment	23,360	17,272	**6,088**	10,760
Software	5,000	4,000	**1,000**	2,000
Automotive	237,041	135,694	**101,347**	140,916
Building	6,722	2,352	**4,370**	4,705
Ice Rink	7,518	7,518	-	1,504
	2,467,334	1,352,038	**1,115,296**	1,263,589

NOTE 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	2007 $	2006 $
KWIOEK CREEK RESOURCES INC. (100%)		
Shares	**1**	-
Accumulated equity in earnings	**206,257**	-
TOTAL	**206,258**	-

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

Financial information for the entity for year ending in 2007 is as follows:

	ASSETS $	LIABILITIES $	REVENUE $	NET INCOME (LOSS) $
Year ended March 31/07 Kwoiek Creek Resources Inc.	**211,120**	**4,863**	**612,637**	**240,540**

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

	2007 $	2006 $
All Nations Trust Company loan, payment of $1,924.75 per month including interest at 4.70% per annum, maturing November 1, 2009, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**57,832**	77,729
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	**125,742**	148,720
All Nations Trust Company loan, payment of $1,141.03 per month including interest at 4.70% per annum, maturing January 1, 2023, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**153,199**	159,597
GMAC finance agreement, payments of $1,430 per month, including interest at 5.3% per annum; due February 12, 2010. Secured by a 2005 GMC Sand Truck.	**45,043**	59,397
	381,816	445,443

FUTURE PRINCIPAL REPAYMENTS

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

	$
2008	**66,647**
2009	**69,809**
2010	**62,530**
2011	**34,894**
2012 and beyond	**147,936**
	381,816

NOTE 6: MEMBERS' EQUITY

	2007 $	2006 $
Restricted		
Social Housing Fund	**630,274**	617,929
Trust Fund	**163,381**	149,700
Enterprise Fund	**217,478**	11,220
	1,011,133	778,849
Unrestricted		
Operating Fund	**(40,361)**	(181,303)
Capital Fund	**201,449**	286,115
	161,088	104,812
TOTAL EQUITY	**1,172,221**	883,661

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 $154,901.

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. As at the Balance Sheet date, the fund is overfunded by $5

NOTE 9: DEFERRED REVENUE

	2007 $	2006 $
Deferred revenue is comprised of the following:		
Watermain Replacement 3551	**14,658**	14,658
New on Reserve Housing Approach 7450	**36,822**	66,406
Water Treatment Plant Construction 2131	**263,817**	263,817
Community Centre 4825	**9,399**	9,399
Highway Access Feasibility Study 4502	**30,831**	515
	355,527	354,795

KANAKA BAR INDIAN BAND

OPERATING FUND **Schedule 1**
STATEMENT OF FINANCIAL POSITION
March 31, 2007

	2007 $	2006 $
ASSETS		
Cash	**284,370**	205,724
Accounts receivable	**10,337**	15,336
Accounts receivable - tobacco	**35,900**	30,720
Member loans receivable	**50,507**	56,560
Property taxes receivable	**23,408**	23,408
Prepaid expenses	**4,440**	5,754
Inventory	**3,494**	2,174
Funds held in trust	**-**	596
Due from Kwoiek Creek Resources Inc.	**-**	26,436
Due from Fraser Canyon Tribal Administration	**2,443**	6,173
	414,899	372,881
LIABILITIES		
Accounts payable	**32,081**	161,608
Deferred revenue	**355,527**	354,795
Due to Kwoiek Creek Resources Inc.	**34,524**	-
Due to Skuppah Indian Band	**25,875**	32,048
Due to Kanaka Bar Indian Band Social Housing	**7,253**	5,733
	455,260	554,184
MEMBERS' EQUITY		
Unrestricted	**(40,361)**	(181,303)
	414,899	372,881

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, 2007

	SCHEDULE	CURRENT YEAR OPERATIONS REVENUES 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 Administration	3-1	127,650	6,527	-	-	134,177	178,749	(44,572)	(76,914)	-	**(121,486)**
Band Revenue	3-2	-	65,855	-	-	65,855	23,147	42,708	(429,355)	-	**(386,647)**
Recreation	3-3	-	-	-	-	-	-	-	(2,482)	2,482	-
Community Gardens	3-4	-	27,934	-	-	27,934	28,057	(123)	-	-	**(123)**
Indian Registry	3-5	1,683	-	-	-	1,683	1,683	-	-	-	-
HHSS Disengagement	3-6	-	-	-	-	-	-	-	57,821	-	**57,821**
Mountain Pine Beetle	3-7	-	15,000	-	-	15,000	15,000	-	-	-	-
Elementary/Secondary School	3-8	17,163	-	-	-	17,163	25,591	(8,428)	31,731	-	**23,303**
Post Secondary School Education	3-9	88,849	-	-	-	88,849	51,944	36,905	240,442	-	**277,347**
Private School	3-10	54,418	-	-	-	54,418	41,643	12,775	(12,775)	-	-
New Paths	3-11	-	15,036	-	-	15,036	15,036	-	-	-	-
Social Assistance - Basic Needs	3-12	60,090	-	-	-	60,090	60,320	(230)	(25,370)	-	**(25,600)**
Guardian Financial Assistance	3-13	2,975	-	-	-	2,975	2,013	962	(1,838)	-	**(876)**
Special Needs	3-14	1,081	-	-	-	1,081	5,074	(3,993)	3,906	-	**(87)**
Service Delivery	3-15	21,097	-	-	-	21,097	21,336	(239)	-	-	**(239)**
In Home Care	3-16	6,813	-	-	-	6,813	9,079	(2,266)	2,204	-	**(62)**
Service Delivery - In Home Care	3-17	1,591	-	-	-	1,591	1,591	-	-	-	-
National Child Benefit	3-18	18,364	-	-	-	18,364	18,364	-	-	-	-
Employment and Training	3-19	3,220	-	-	-	3,220	3,220	-	-	-	-
Family Violence - Prevention Project	3-20	2,777	-	-	-	2,777	2,777	-	-	-	-
Watermain Replacement 3551	3-21	-	-	14,658	(14,658)	-	-	-	-	-	-
Maintenance (O&M)	3-22	44,997	5,350	-	-	50,347	58,480	(8,133)	(11,843)	-	**(19,976)**
Kwioek Hydro Project	3-23	-	-	-	-	-	(96,143)	96,143	(101,592)	-	**(5,449)**
New on Reserve Housing 7450	3-24	-	-	66,406	(36,822)	29,584	15,213	14,371	-	(14,371)	-
SUB-TOTAL		452,768	135,702	-	(30,831)	618,054	482,174	135,880	(326,065)	(11,889)	**(202,074)**

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

KANAKA BAR INDIAN BAND
OPERATING FUND
SCHEDULE OF REVENUE, EXPENDITURES AND UNEXPENDED EQUITY BY PROGRAM
For the year ended March 31, 2007

Schedule 2 (continued)

		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		452,768	135,702	-	(30,831)	618,054	482,174	135,880	(326,065)	(11,889)	**(202,074)**
Maintenance Building Site Design	3-25	-	-	-	-	-	1,919	(1,919)	(12,305)	-	**(14,224)**
IR#1 Subdivision Extension Feasibility 2795	3-26	-	-	-	-	-	23,991	(23,991)	(12,844)	-	**(36,835)**
Water Treatment Plant 2131	3-27	-	-	263,817	(263,817)	-	-	-	-	-	-
Capital Project	3-28	-	-	-	-	-	-	-	-	-	-
Community Centre 4825	3-29	-	-	9,399	(9,399)	-	-	-	-	-	-
Highway Access Feasibility 4502	3-30	76,142	-	515	(30,831)	45,826	45,826	-	-	-	-
Rural Rehabilitation Assistance	3-31	22,432	42,050	-	-	64,482	69,740	(5,258)	(9,113)	14,371	-
Climate Change	3-32	-	-	-	-	-	-	-	-	-	-
Economic Development	3-33	10,344	-	-	-	10,344	10,344	-	8,947	-	**8,947**
Taxation	3-34	-	64,265	-	-	64,265	28,035	36,230	170,077	(2,482)	**203,825**
TOTAL		561,686	242,017	354,795	(355,527)	802,971	662,029	140,942	(181,303)	-	**(40,361)**

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

KANAKA BAR INDIAN BAND

BAND ADMINISTRATION AND PROGRAM SUPPORT **Schedule 3-1**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (1011)	-	**127,650**	130,962
Interest Income	-	**-**	579
Other Income	-	**6,527**	6,523
	-	**134,177**	138,064
EXPENDITURES			
Administration	-	**-**	21,600
Contracted services	-	**1,634**	21,959
Equipment purchases	-	**-**	4,178
Honoraria	-	**14,550**	13,025
Insurance	-	**5,518**	10,524
Materials and supplies	-	**2,706**	1,417
Janitorial expense	-	**6,000**	-
Office and Miscellaneous	-	**11,179**	1,853
Professional fees	-	**14,948**	10,000
Salaries and benefits	-	**106,605**	102,729
Telephone	-	**2,018**	6,031
Travel	-	**11,157**	15,763
Utilities	-	**2,434**	-
Vehicle Expenses	-	**-**	899
	-	**178,749**	209,978
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(44,572)**	(71,914)
OPENING EQUITY (DEFICIT)		**(76,914)**	-
Prior Year Recovery	-	**-**	(5,000)
EQUITY (DEFICIT) AT END OF YEAR	-	**(121,486)**	(76,914)

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

KANAKA BAR INDIAN BAND

BAND REVENUE **Schedule 3-2**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Interest income	-	**3,450**	3,908
Rental Income	-	**13,100**	6,900
School District # 74	-	**4,847**	4,369
Tobacco Sales	-	**18,088**	14,867
Other income	-	**26,370**	13,371
	-	**65,855**	43,415
EXPENDITURES			
Contracted services	-	**-**	1,000
Materials & Supplies	-	**1,281**	881
Office & Miscellaneous	-	**3,274**	498
Repairs & Maintenance	-	**117**	150
Tobacco Purchases	-	**17,869**	15,211
Utilities	-	**34**	-
Vehicle Expenses	-	**572**	-
	-	**23,147**	17,740
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**42,708**	25,675
OPENING EQUITY (DEFICIT)		**(429,355)**	(433,403)
Transfers in (out)		**-**	(21,627)
EQUITY (DEFICIT) AT END OF YEAR	-	**(386,647)**	(429,355)

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

KANAKA BAR INDIAN BAND

RECREATION Schedule 3-3
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY		**(2,482)**	(2,482)
Transfers in (out)		**2,482**	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	(2,482)

KANAKA BAR INDIAN BAND

COMMUNITY GARDENS Schedule 3-4
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Fraser Thompson Indian Services Society	-	**13,500**	24,778
Working Opportunity Program	-	**14,434**	-
	-	**27,934**	24,778
EXPENDITURES			
Materials and supplies	-	**8**	3,044
Repairs and Maintenance	-	**2,973**	-
Salaries and Benefits	-	**22,801**	21,734
Vehicle Expenses	-	**2,275**	-
	-	**28,057**	24,778
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(123)**	-
OPENING EQUITY (DEFICIT)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(123)**	-

KANAKA BAR INDIAN BAND

INDIAN REGISTRY **Schedule 3-5**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (2057)	-	**1,683**	1,403
EXPENDITURES			
Wages and benefits	-	**1,683**	1,403
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

HHSS DISENGAGEMENT **Schedule 3-6**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		**57,821**	57,821
EQUITY (DEFICIT) AT END OF YEAR	-	**57,821**	57,821

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

KANAKA BAR INDIAN BAND

MOUNTAIN PINE BEETLE — **Schedule 3-7**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Central Interior First Nations	-	15,000	-
EXPENDITURES			
Contracted Services	-	1,354	-
Salaries and Benefits	-	9,224	-
Repairs and Maintenance	-	70	-
Vehicle Expenses	-	4,352	-
	-	15,000	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

ELEMENTARY / SECONDARY SCHOOL **Schedule 3-8**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Ancillary Services (2126)	-	**5,060**	5,280
- Comprehensive Education Support Services (2141)	-	**1,771**	1,848
- Guidance and Counselling (2139)	-	**8,682**	8,682
- Financial Assistance Allowance (2138)	-	**1,650**	990
	-	**17,163**	16,800
EXPENDITURES			
Allowance	-	**3,515**	1,370
Contracted Services	-	**-**	150
Insurance	-	**2,048**	2,006
Salaries and Benefits	-	**16,581**	14,039
Supplies	-	**2,600**	2,425
Vehicle Expenses	-	**847**	-
	-	**25,591**	19,990
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(8,428)**	(3,190)
OPENING EQUITY (DEFICIT)		**31,731**	34,921
EQUITY (DEFICIT) AT END OF YEAR	-	**23,303**	31,731

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

KANAKA BAR INDIAN BAND

POST SECONDARY SCHOOL EDUCATION **Schedule 3-9**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (2270)	-	**88,849**	80,124
EXPENDITURES			
Allowances	-	**31,614**	57,060
Supplies	-	**2,969**	2,320
Travel	-	**225**	363
Tuition	-	**17,136**	20,750
	-	**51,944**	80,493
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**36,905**	(369)
OPENING EQUITY (DEFICIT)		**240,442**	240,811
EQUITY (DEFICIT) AT END OF YEAR	-	**277,347**	240,442

KANAKA BAR INDIAN BAND

PRIVATE SCHOOL **Schedule 3-10**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Private Schools (2127)	-	**41,643**	47,466
- Prior year reimbursement (recovery)	-	**12,775**	(14,284)
	-	**54,418**	33,182
EXPENDITURES			
Tuition	-	**41,643**	47,466
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	**12,775**	(14,284)
OPENING EQUITY (DEFICIT)		**(12,775)**	1,509
EQUITY (DEFICIT) AT END OF YEAR	-	**-**	(12,775)

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

KANAKA BAR INDIAN BAND

NEW PATHS | **Schedule 3-11**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
First Nations Education Steering Committee	-	**15,036**	10,126
EXPENDITURES			
New Paths (Supplies)	-	**9,063**	9,128
Travel	-	**2,079**	114
Wages and benefits	-	**3,894**	884
	-	**15,036**	10,126
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

SOCIAL ASSISTANCE - BASIC NEEDS **Schedule 3-12**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Basic Needs (2305)	-	**63,759**	57,759
- Prior year (recoveries)	-	**(3,669)**	(15,087)
	-	**60,090**	42,672
EXPENDITURES			
Basic Needs	-	**32,564**	36,925
Shelter	-	**27,756**	17,166
	-	**60,320**	54,091
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(230)**	(11,419)
OPENING EQUITY (DEFICIT)		**(25,370)**	(13,951)
EQUITY (DEFICIT) AT END OF YEAR	-	**(25,600)**	(25,370)

KANAKA BAR INDIAN BAND

GUARDIAN FINANCIAL ASSISTANCE — **Schedule 3-13**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Child out of Parental Home Assistance (2307)	-	**1,223**	1,223
- Prior year reimbursements	-	**1,752**	-
	-	**2,975**	1,223
EXPENDITURES			
Guardian Financial Assistance	-	**2,013**	3,061
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**962**	(1,838)
OPENING EQUITY (DEFICIT)		**(1,838)**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(876)**	(1,838)

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

KANAKA BAR INDIAN BAND

SPECIAL NEEDS **Schedule 3-14**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Special Needs (2320)	-	**5,031**	5,004
- Prior year (recoveries)	-	**(3,950)**	-
	-	**1,081**	5,004
EXPENDITURES			
Special Needs	-	**5,074**	1,098
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(3,993)**	3,906
OPENING EQUITY (DEFICIT)		**3,906**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(87)**	3,906

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, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (2330)	-	**21,097**	21,740
EXPENDITURES			
Salaries and Benefits	-	**21,097**	20,431
Service Delivery Expenses	-	**-**	1,309
Travel	-	**239**	-
	-	**21,336**	21,740
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(239)**	-
OPENING EQUITY (DEFICIT)		**-**	-
EQUITY (DEFICIT) END OF THE YEAR	-	**(239)**	-

KANAKA BAR INDIAN BAND

IN HOME CARE **Schedule 3-16**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- In-Home Care (2395)	-	**9,017**	8,546
- Prior year (recoveries)	-	**(2,204)**	-
	-	**6,813**	8,546
EXPENDITURES			
Adult Care	-	**9,079**	6,342
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(2,266)**	2,204
OPENING EQUITY (DEFICIT)		**2,204**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(62)**	2,204

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

KANAKA BAR INDIAN BAND

SERVICE DELIVERY - IN HOME CARE **Schedule 3-17**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (2391)	-	1,591	1,508
EXPENDITURES			
Wages and benefits	-	1,591	1,508
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

NATIONAL CHILD BENEFIT — Schedule 3-18
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (2440)	-	**18,364**	18,227
EXPENDITURES			
National Child Benefit	-	**18,364**	18,227
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

EMPLOYMENT AND TRAINING **Schedule 3-19**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (2308)	-	**3,220**	3,220
EXPENDITURES			
Employment and training	-	**3,220**	3,220
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

FAMILY VIOLENCE - PREVENTION PROJECT

Schedule 3-20

For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 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)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

WATERMAIN REPLACEMENT 3551 **Schedule 3-21**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 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 3-22**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Water Systems (4211)	-	**13,516**	13,012
- Municipal (4269)	-	**5,969**	5,147
- Roads & Bridges (4243)	-	**24,372**	23,342
- Train - Fire Protection (4273)	-	**1,140**	1,140
House Maintenance	-	**5,350**	-
	-	**50,347**	42,641
EXPENDITURES			
Disposal	-	**1,300**	1,200
License, dues and fees	-	**180**	5,499
Loan payments - vehicle	-	**17,155**	17,156
Repairs and maintenance	-	**1,000**	4,882
Roads and bridges	-	**9,431**	17,764
Subcontract	-	**18,286**	1,193
Supplies	-	**2,851**	1,013
Telephone	-	**328**	-
Utilities	-	**1,854**	3,663
Vehicle operations	-	**4,032**	9,392
Wages and benefits	-	**-**	17,025
Water systems maintenance	-	**2,063**	5,522
	-	**58,480**	84,309
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(8,133)**	(41,668)
OPENING EQUITY (DEFICIT)		**(11,843)**	29,825
EQUITY (DEFICIT) AT END OF YEAR	-	**(19,976)**	(11,843)

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

KANAKA BAR INDIAN BAND

KWIOEK HYDRO PROJECT **Schedule 3-23**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Innergex II Inc.	-	-	36,625
EXPENDITURES			
Environmental studies	-	-	62,286
Hydrology study	-	**(96,143)**	104,137
Subcontracts	-	-	32,930
	-	**(96,143)**	199,353
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**96,143**	(162,728)
OPENING EQUITY (DEFICIT)		**(101,592)**	61,136
EQUITY (DEFICIT) AT END OF YEAR	-	**(5,449)**	(101,592)

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

KANAKA BAR INDIAN BAND

NEW ON RESERVE HOUSING 7450 **Schedule 3-24**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Allocation from deferred revenue	-	**66,406**	85,819
Allocation to deferred revenue	-	**(36,822)**	(66,406)
	-	**29,584**	19,413
EXPENDITURES			
Contracted services	-	**6,000**	12,250
Insurance	-	**6,000**	3,284
Materials and supplies	-	**3,000**	102
Professional fees	-	-	900
Renovations and repairs	-	**213**	2,877
	-	**15,213**	19,413
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**14,371**	-
OPENING EQUITY (DEFICIT)		-	-
Transfers in (out)		**(14,371)**	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

MAINTENANCE BUILDING SITE DESIGN **Schedule 3-25**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE	-	-	-
EXPENDITURES			
Engineering fees	-	**1,919**	12,305
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,919)**	(12,305)
OPENING EQUITY (DEFICIT)		**(12,305)**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(14,224)**	(12,305)

KANAKA BAR INDIAN BAND

IR#1 SUBDIVISION EXTENSION FEASIBILITY 2795 — **Schedule 3-26**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE	-	-	-
EXPENDITURES			
Engineering	-	22,833	-
Subcontract	-	1,158	-
	-	23,991	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(23,991)	-
OPENING EQUITY (DEFICIT)		(12,844)	(12,844)
EQUITY (DEFICIT) AT END OF YEAR	-	(36,835)	(12,844)

KANAKA BAR INDIAN BAND

WATER TREATMENT PLANT CONSTRUCTION 2131 **Schedule 3-27**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Allocation from deferred revenue	-	**263,817**	263,817
Allocation to deferred revenue	-	**(263,817)**	(263,817)
	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

CAPITAL PROJECTS — **Schedule 3-28**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	1,119
Transfer in (out)		-	(1,119)
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

COMMUNITY CENTRE 4825 **Schedule 3-29**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Allocation from deferred revenue	-	**9,399**	9,399
Allocation to deferred revenue	-	**(9,399)**	(9,399)
	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

HIGHWAY ACCESS FEASIBILITY STUDY 4502 **Schedule 3-30**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (4243)	-	76,142	-
Allocation from deferred revenue	-	515	515
Allocation to deferred revenue	-	(30,831)	(515)
	-	45,826	-
EXPENDITURES			
Engineering fees	-	45,826	-
	-	45,826	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

RURAL REHABILITATION ASSISTANCE Schedule 3-31
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (4426)	-	22,432	-
Canada Mortgage and Housing Corporation	-	42,050	-
	-	64,482	-
EXPENDITURES			
Contracted services	-	44,891	6,504
Supplies	-	18,004	2,609
Miscellaneous	-	5,580	-
Repairs and maintenance	-	225	-
Vehicle operations	-	1,040	-
	-	69,740	9,113
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	(5,258)	(9,113)
OPENING EQUITY (DEFICIT)		(9,113)	-
Transfer in (out)		14,371	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	(9,113)

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

KANAKA BAR INDIAN BAND

CLIMATE CHANGE **Schedule 3-32**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada	-	-	6,000
EXPENDITURES			
Professional services	-	-	6,000
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

ECONOMIC DEVELOPMENT **Schedule 3-33**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Indian and Northern Affairs Canada (4180)	-	**10,344**	10,344
EXPENDITURES			
Occupational skills training	-	**-**	893
Travel	-	**684**	359
Wages and benefits	-	**9,660**	9,866
	-	**10,344**	11,118
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	(774)
OPENING EQUITY (DEFICIT)		**8,947**	9,721
EQUITY (DEFICIT) AT END OF YEAR	-	**8,947**	8,947

KANAKA BAR INDIAN BAND

PROPERTY TAXATION **Schedule 3-34**
For the year ended March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Taxation	-	**41,826**	27,336
BC Hydro	-	**14,184**	24,889
Interest	-	**8,255**	4,939
	-	**64,265**	57,164
EXPENDITURES			
Bank charges and interest	-	**139**	125
Events	-	**423**	2,647
Honoraria	-	**-**	2,600
Land assessments	-	**714**	703
Materials and supplies	-	**644**	-
Dues and fees	-	**-**	400
Telephone	-	**209**	-
Travel	-	**5,593**	8,146
Wages and benefits	-	**20,313**	8,216
Workshops	-	**-**	10,835
	-	**28,035**	33,672
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**36,230**	23,492
OPENING EQUITY (DEFICIT)		**170,077**	146,585
Transfers in (out)	-	**(2,482)**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**203,825**	170,077

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND — **Schedule 4**
SCHEDULE OF FINANCIAL POSITION
March 31, 2007

	2007 $	2006 $
ASSETS		
Cash	**29,076**	28,036
Accounts receivable - renters	**62,855**	53,255
Canada Mortgage and Housing Corporation interest subsidy receivable	**2,325**	2,325
Due from Kanaka Bar Indian Band	**7,253**	5,733
Cash - Replacement Reserve Fund (Note 7)	**4**	4
Cash - Subsidy Surplus Fund (Note 8)	**5**	5
Capital assets (Note 2)	**868,804**	918,077
	970,322	1,007,435
LIABILITIES		
Accounts payable	**2,000**	2,000
Accrued mortgage interest payable	**1,275**	1,460
Long-term debt (Note 5)	**336,773**	386,046
	340,048	389,506
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	**(56,662)**	(55,294)
Replacement Reserve Fund (Note 7)	**154,905**	141,192
Contributed Surplus	**532,031**	532,031
	630,274	617,929
	970,322	1,007,435

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, 2007

Schedule 5

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Rental income	-	**73,081**	65,271
Canada Mortgage & Housing Corporation interest subsidy	-	**27,902**	27,902
Interest Income	-	**1,040**	258
	-	**102,023**	93,431
EXPENDITURES			
Operating costs			
Garbage removal	-	**2,600**	2,600
Insurance	-	**12,285**	9,251
Repairs and maintenance	-	**460**	2,558
	-	**15,345**	14,409
Administration costs			
Administration fees	-	**6,473**	6,473
Audit fees	-	**2,000**	2,000
	-	**8,473**	8,473
Amortization costs			
Mortgage interest	-	**16,139**	17,372
Mortgage principal repayments	-	**49,270**	47,906
	-	**65,409**	65,278
Reserves			
Appropriations to Replacement Reserve Fund	-	**14,164**	14,164
	-	**103,391**	102,324
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,368)**	(8,893)
OPENING EQUITY (DEFICIT)	-	**(55,294)**	(46,401)
EQUITY (DEFICIT) AT END OF THE YEAR	-	**(56,662)**	(55,294)

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND
SCHEDULE OF REVENUE AND EXPENDITURES
REPLACEMENT RESERVE (NOTE 8)
March 31, 2007

Schedule 6

	2007 $	2006 $
REVENUE		
Appropriations from the Operating Fund	**14,164**	14,164
	14,164	14,164
EXPENDITURES		
Repairs and maintenance	**451**	910
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**13,713**	13,254
EQUITY (DEFICIT) AT THE BEGINNING OF THE YEAR	**141,192**	127,938
EQUITY (DEFICIT) AT THE END OF THE YEAR	**154,905**	141,192

KANAKA BAR INDIAN BAND

CAPITAL FUND **Schedule 7**
SCHEDULE OF FINANCIAL POSITION
March 31, 2007

	2007 $	2006 $
ASSETS (Note 2)		
Land	**21,353**	21,353
Domestic water systems	**107,294**	157,096
Equipment and furniture	**5,040**	7,178
Computer equipment	**6,088**	10,760
Software	**1,000**	2,000
Automotive	**101,347**	140,916
Building	**4,370**	4,705
Ice Rink	**-**	1,504
	246,492	345,512
LIABILITIES AND EQUITY		
GMAC loan payable (Note 6)	**45,043**	59,397
Members' Equity	**201,449**	286,115
	246,492	345,512

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

KANAKA BAR INDIAN BAND

CAPITAL FUND
SCHEDULE OF CHANGES IN EQUITY
March 31, 2007

Schedule 8

	2007 $	2006 $
ADDITIONS		
From the Operating Fund	**-**	4,338
Principal reduction on capital asset loan	**14,353**	13,614
	14,353	17,952
LESS		
Depreciation of capital assets	**99,019**	99,500
	(84,666)	(81,548)
OPENING EQUITY (DEFICIT)	**286,115**	367,663
EQUITY (DEFICIT) AT THE END OF YEAR	**201,449**	286,115

KANAKA BAR INDIAN BAND

TRUST FUND **Schedule 9**
SCHEDULE OF FINANCIAL POSITION
March 31, 2007

	2007 $	2006 $
ASSETS (Note 4)		
Cash in Ottawa Trust Funds	**163,381**	149,700
LIABILITIES AND EQUITY		
Equity in Ottawa Trust Funds	**163,381**	149,700

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, 2007

	2007 $	2006 $
ADDITIONS		
Interest earned	**11,857**	6,200
BC special	**1,824**	519
	13,681	6,719
OPENING EQUITY (DEFICIT)	**149,700**	142,981
EQUITY (DEFICIT) AT THE END OF YEAR	**163,381**	149,700

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, 2007

	2007 $	2006 $
ASSETS		
Investment in All Nations Trust Company	**11,220**	11,220
Investments, Loans and Advances to First Nation Controlled Entities (Note 3)	**206,258**	-
	217,478	11,220
MEMBERS' EQUITY	**217,478**	11,220

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

KANAKA BAR INDIAN BAND

ENTERPRISE FUND — Schedule 12

STATEMENT OF OPERATIONS AND CHANGES IN EQUITY

March 31, 2007

	2007 $	2006 $
REVENUES		
Share of Net Income (Loss) for the year:		
Kwoiek Creek Resources Inc	240,540	-
Kwoiek Creek Resources Inc - prior year losses	(34,282)	-
	206,258	-
EXPENDITURES	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	206,258	-
OPENING EQUITY (DEFICIT)	11,220	11,220
EQUITY AT END OF YEAR	217,478	11,220

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

KANAKA BAR INDIAN BAND SOCIAL HOUSING

FINANCIAL STATEMENTS
March 31, 2007

KANAKA BAR INDIAN BAND SOCIAL HOUSING

INDEX TO THE FINANCIAL STATEMENTS
March 31, 2007

Kanaka Band

Box 400, Lytton B.C. V0K 1Z0
Phone: 455-2279 Fax: 455-2772

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, 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

REIDHURSTNAGY
CERTIFIED GENERAL ACCOUNTANTS

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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, 2007 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.

In our opinion,

The Kanaka Bar Indian Band Housing Program:

- has requested and 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. Tenants not providing evidence have been charged Lower End Market rates;

- has applied the rent-to-income ratio for lessees in accordance with sub-paragraph 2 (5) of the Operating Agreement. Tenants not providing evidence have been charged Lower End Market rates;

- has adjusted the rental charges for rent-to-income leases in accordance with paragraph 2 (5) of the Operating Agreement. Tenants not providing evidence have been charged Lower End Market rates.

AUDITORS' REPORT (continued)

These financial statements present fairly in all material respects, the financial position of the Kanaka Bar Indian Band Social Housing as at March 31, 2007 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 and the Subsidy Surplus Fund presented in the audited financial statements for the year ended March 31, 2007, the Replacement Reserve Fund is underfunded by $154,901 and the Subsidy Surplus Fund is overfunded by $5. All interest accruing to these Funds has been recorded.

Reid Hurst Nagy

REID HURST NAGY
CERTIFIED GENERAL ACCOUNTANTS

July 17, 2007
RICHMOND, B.C.

KANAKA BAR INDIAN BAND SOCIAL HOUSING

STATEMENT OF REVENUE AND EXPENDITURES
OPERATING FUND **Statement 1**
For the year ending March 31, 2007

	2007 Budget $	2007 Actual $	2006 Actual $
REVENUE			
Rental income	-	**73,081**	65,271
Canada Mortgage & Housing Corporation interest subsidy	-	**27,902**	27,902
Interest income	-	**1,040**	258
	-	**102,023**	93,431
EXPENDITURES			
OPERATING COSTS			
Garbage removal	-	**2,600**	2,600
Insurance	-	**12,285**	9,251
Repairs and maintenance	-	**460**	2,558
	-	**15,345**	14,409
ADMINISTRATION COSTS			
Administration fees	-	**6,473**	6,473
Audit fees	-	**2,000**	2,000
	-	**8,473**	8,473
DEPRECIATION COSTS			
Mortgage interest	-	**16,139**	17,372
Mortgage principal repayments	-	**49,270**	47,906
	-	**65,409**	65,278
RESERVES			
Appropriations to Replacement Reserve Fund	-	**14,164**	14,164
	-	**103,391**	102,324
EXCESS OF EXPENDITURES OVER REVENUE	-	**(1,368)**	(8,893)

KANAKA BAR INDIAN BAND SOCIAL HOUSING

STATEMENT OF CHANGES IN BAND MEMBERS' EQUITY AND FUNDS — **Statement 2**
As At March 31, 2007

	2007 $	2006 $
OPERATING FUND		
Balance, beginning of the year	**(55,294)**	(46,401)
Current year deficiency	**(1,368)**	(8,893)
Balance, end of the year	**(56,662)**	(55,294)
REPLACEMENT RESERVE FUND (Note 5)		
Balance, beginning of the year	**141,192**	127,938
Current year appropriations	**14,164**	14,164
Current year expenditures	**(451)**	(910)
Balance, end of the year	**154,905**	141,192

KANAKA BAR INDIAN BAND SOCIAL HOUSING

BALANCE SHEET **Statement 3**
As At March 31, 2007

	2007 $	2006 $
ASSETS		
CURRENT		
Cash	**29,076**	28,036
Canada Mortgage & Housing Corporation interest subsidy receivable	**2,325**	2,325
Rent receivable	**61,800**	53,255
Due from Kanaka Bar Indian Band	**8,308**	5,733
	101,509	89,349
CAPITAL		
Housing units	**1,298,583**	1,298,583
Less: accumulated depreciation	**429,779**	380,506
	868,804	918,077
RESTRICTED		
Cash - Replacement Reserve Fund	**4**	4
Cash - Subsidy Surplus Fund	**5**	5
	9	9
	970,322	1,007,435

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, 2007

	2007 $	2006 $
LIABILITIES		
CURRENT		
Accounts payable	**2,000**	2,000
Accrued mortgage interest payable	**1,275**	1,460
Current portion of long-term debt (Note 4)	**51,515**	49,121
	54,790	52,581
LONG-TERM DEBT (Note 4)	**285,258**	336,925
	340,048	389,506
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	**(56,662)**	(55,294)
Replacement Reserve Fund (Note 5)	**154,905**	141,192
Contributed surplus	**532,031**	532,031
	630,274	617,929
	970,322	1,007,435

The accompanying notes are an integral part of these financial statements

KANAKA BAR INDIAN BAND SOCIAL HOUSING

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2007

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.

NOTE 2: CASH

'Cash' is comprised of:

	2007 $	2006 $
Operating Account		
Royal Bank of Canada	**29,076**	28,036

NOTE 3: RESTRICTED FUNDS

'Restricted Funds' is comprised of:

	2007 $	2006 $
Replacement Reserve Fund:		
Royal Bank of Canada	**4**	4
Subsidy Surplus Fund		
Royal Bank of Canada	**5**	5
	9	9

NOTE 4: LONG-TERM DEBT

	2007 $	2006 $
All Nations Trust Company loan, payment of $1,924.75 per month including interest at 4.70% per annum, maturing November 1, 2009, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**57,832**	77,729
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	**125,742**	148,720
All Nations Trust Company loan, payment of $1,141.03 per month including interest at 4.70% per annum, maturing January 1, 2023, secured by a Ministerial Guarantee from Indian & Northern Affairs Canada	**153,199**	159,597
	336,773	386,046
Less: current portion	**51,515**	49,121
TOTAL	**285,258**	336,925

FUTURE PRINCIPAL REPAYMENTS

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

	$
2008	**51,515**
2009	**53,855**
2010	**48,573**
2011	**34,894**
2012 and thereafter	**147,936**
	336,773

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 $154,901.

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. As at the Balance Sheet date, the Fund is overfunded by $5.

NOTE 7: ADVANCES TO KANAKA BAR INDIAN BAND

The Kanaka Bar Indian Band has been advanced $8,308 as of March 31, 2007 for working capital purposes ($5,733 as of March 31, 2006). 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.

NOTE 9: COMPARATIVE FIGURES

Prior years figures were prepared by another auditor. Certain of comparative years figures were changed to conform to current year's presentation.

KWOIEK CREEK RESOURCES INC.

FINANCIAL STATEMENTS
March 31, 2007
(Unaudited)

KWOIEK CREEK RESOURCES INC.

INDEX TO THE FINANCIAL STATEMENTS
March 31, 2007
(Unaudited)

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REVIEW ENGAGEMENT REPORT

To:

Kwoiek Creek Resources Inc.

We have reviewed the balance sheet of Kwoiek Creek Resources Inc. as at March 31, 2007 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.

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

REID HURST NAGY
CERTIFIED GENERAL ACCOUNTANTS

RICHMOND, B.C.
JULY 23, 2007

KWOIEK CREEK RESOURCES INC.

STATEMENT OF INCOME **Statement 1**
For The Year Ended March 31, 2007
(Unaudited)

	2007		2006	
	$	%	$	%
REVENUE	**612,637**	**100.0**	197,286	100.0
GENERAL AND ADMINISTRATIVE EXPENSES				
Bank charges and interest	**71**	**0.0**	129	0.1
Consulting fees	**787**	**0.1**	-	0.0
Contracted Services	**13,947**	**2.3**	144,183	73.1
Depreciation	**7,455**	**1.2**	-	0.0
Honoraria	**136,210**	**22.2**	2,075	1.1
Membership payout	**33,000**	**5.4**	-	0.0
Office and miscellaneous	**5,320**	**0.9**	-	0.0
Professional development	**185**	**0.0**	800	0.4
Professional fees	**45,422**	**7.4**	4,133	2.1
Travel	**6,579**	**1.1**	9,925	5.0
Vehicle expenses	**21,980**	**3.6**	6,139	3.1
Wages and benefits	**103,316**	**16.9**	52,922	26.8
	374,272	**61.1**	220,306	111.7
NET INCOME (LOSS) FROM OPERATIONS	**238,365**	**38.9**	(23,020)	(11.7)
Interest income	**2,175**	**0.4**	-	0.0
NET INCOME (LOSS)	**240,540**	**39.3**	(23,020)	(11.7)

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, 2007
(Unaudited)

	2007 $	2006 $
Balance, beginning of the year	**(34,284)**	(11,264)
Add: Net Income (Loss)	**240,540**	(23,020)
Balance, end of the year	**206,256**	(34,284)

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

BALANCE SHEET
As At March 31, 2007
(Unaudited)

Statement 3

	2007 $	2006 $
ASSETS		
CURRENT		
Cash	**134,351**	665
Accounts receivable	-	135,000
	134,351	135,665
CAPITAL (Note 1a & 3)	**42,245**	-
OTHER		
Due from Kanaka Bar Indian Band (Note 4)	**34,524**	-
	211,120	135,665

Approved On Behalf of the Company:

_______________ Director

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

BALANCE SHEET
As At March 31, 2007
(Unaudited)

Statement 3

	2007 $	2006 $
LIABILITIES		
CURRENT		
Accounts payable and accruals	**3,587**	143,512
Wages and benefits payable	**324**	-
	3,911	143,512
OTHER		
Due to Kanaka Bar Indian Band (Note 4)	-	26,436
Due to Skuppah Indian Band (Note 5)	**952**	-
	952	26,436
	4,863	169,948
SHAREHOLDER'S EQUITY		
Share capital (Note 6)	**1**	1
Retained earnings	**206,256**	(34,284)
	206,257	(34,283)
	211,120	135,665

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, 2007
(Unaudited)

	2007 $	2006 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	**240,540**	(23,020)
Depreciation	**7,455**	-
	247,995	(23,020)
NET CHANGES IN WORKING CAPITAL ACCOUNTS		
Accounts receivable	**135,000**	(135,000)
Accounts payable	**(139,925)**	142,812
Wages and benefits payable	**324**	-
	243,394	(15,208)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to/from Kanaka Bar Indian Band	**(60,960)**	15,566
Due to Skuppah Indian Band	**952**	-
	(60,008)	15,566
CASH FLOWS FROM INVESTING ACTIVITIES		
Outlay for Capital assets	**(49,700)**	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	**133,686**	358
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR	**665**	307
CASH AND CASH EQUIVALENTS - END OF THE YEAR	**134,351**	665

The accompanying notes are an integral part of these financial statements

KWOIEK CREEK RESOURCES INC.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended March 31, 2007
(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 depreciation

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

Automobile	30%

Depreciation 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 DEPRECIATION	2007 NET	2006 NET
	$	$	$	$
Automobile	49,700	7,455	**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: DUE TO SKUPPAH INDIAN BAND

Advances from Skuppah Indian Band are non-interest bearing with no specific terms of repayment.

NOTE 6: SHARE CAPITAL

	2007 $	2006 $
Authorized:		
10,000 Common shares without par value		
Issued and outstanding:		
1 Common shares without par value	1	1

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

NOTE 7: 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.

NOTE 8: COMPARATIVE FIGURES

Certain comparative figures were reviewed by another accountant and have been reclassified to conform with the current year's presentation.