KANAKA BAR INDIAN BAND

AUDITED
FINANCIAL STATEMENTS
MARCH 31, 2008

KANAKA BAR INDIAN BAND

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March 31, 2008

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KANAKA BAR INDIAN BAND

March 31, 2008

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

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, 2008 and the summary statements of operations and cash flows 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Reid Hurst Nagy Inc.

REID HURST NAGY INC.
CERTIFIED GENERAL ACCOUNTANTS

May 16, 2008
RICHMOND, B.C.

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF FINANCIAL POSITION

Statement 1

March 31, 2008

	2008 $	2007 $
ASSETS		
Cash	**129,828**	313,446
Restricted cash	**174,381**	163,390
Accounts receivable	**26,339**	12,662
Accounts receivable - renters	**87,267**	62,855
Accounts receivable - tobacco	**32,902**	35,900
Member loans receivable	**45,636**	50,507
Property taxes receivable	**23,408**	23,408
Prepaid expenses	**2,272**	4,440
Inventory	**2,872**	3,494
Due from Fraser Canyon Tribal Administration	**2,443**	2,443
Capital assets (Note 2)	**1,018,162**	1,115,296
Investment in All Nations Trust Company	**11,220**	11,220
Investment in First Nation Controlled Entities (Note 3)	**11,396**	206,258
	1,568,126	2,005,319
LIABILITIES		
Accounts payable	**49,696**	35,356
Deferred revenue (Note 9)	**327,741**	355,527
Due to Kwoiek Creek Resources Inc.	**4,415**	34,524
Due to Skuppah Indian Band	**27,060**	25,875
Long-term debt (Note 5)	**315,193**	381,816
	724,105	833,098
MEMBERS' EQUITY (Note 6)		
Restricted	**838,474**	1,011,133
Unrestricted	**5,547**	161,088
	844,021	1,172,221
	1,568,126	2,005,319

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, 2008

	2008 $	2007 $
REVENUE		
Indian and Northern Affairs Canada	**408,592**	561,686
First Nations Education Steering Committee	**10,057**	-
Miscellaneous income	**219,698**	226,026
Rental income	**78,096**	91,531
Ottawa Trust Funds	**10,991**	13,681
Enterprise Fund	**(194,862)**	206,258
Interest Income	**38,175**	40,647
Allocation from deferred revenue	**355,527**	354,795
	926,274	1,494,624
EXPENDITURES		
Allocation to deferred revenue	**327,741**	355,527
Bank charges	**139**	-
Community development	**30,215**	-
Contracted services	**83,502**	47,758
Equipment purchases/rentals	**64,069**	17,155
HHSS disengagement	**10,010**	-
Honoraria	**7,575**	14,550
Insurance	**15,720**	13,566
Office and miscellaneous	**28,804**	15,909
Professional fees	**19,046**	14,948
Program costs	**69,479**	93,908
Repairs and maintenance	**17,412**	28,972
Salaries, wages and benefits	**245,220**	190,761
Social Housing	**104,503**	103,842
Social assistance	**136,967**	123,774
Supplies	**27,157**	60,995
Telephone and utilities	**8,967**	6,877
Training	**2,713**	-
Travel	**13,631**	19,738
Vehicle	**11,093**	13,118
	1,223,963	1,121,398
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**(297,689)**	373,226

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

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF CASH FLOWS — **Statement 3**
March 31, 2008

	2008 $	2007 $
OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenditures	**(297,689)**	373,226
Non-operating items:		
Share of (income) loss of First Nation Controlled Entities	**194,862**	(206,258)
Adjustment for Capital and Investment Transactions included in Operations:		
Principal repayment on long term debt	**51,491**	63,626
Changes in non-cash operating net assets	**(26,595)**	(73,601)
	(77,931)	156,993
FINANCING ACTIVITIES		
Repayment of Social Housing and Capital Funds long-term debt	**(51,491)**	(63,626)
INVESTING ACTIVITIES		
Purchase of capital assets	**(43,205)**	-
CHANGES IN CASH DURING YEAR	**(172,627)**	93,367
CASH AT BEGINNING OF YEAR	**476,836**	383,469
CASH AT END OF YEAR	**304,209**	476,836
REPRESENTED BY:		
Cash	**129,828**	313,446
Restricted Cash	**174,381**	163,390
	304,209	476,836

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 $	2008 NET $	2007 NET $
Social Housing	1,298,583	481,270	**817,313**	868,804
Land	21,353	-	**21,353**	21,353
Domestic water systems	818,443	746,913	**71,530**	107,294
Equipment and furniture	49,318	47,461	**1,857**	5,040
Computer Equipment	23,360	21,944	**1,416**	6,088
Software	5,000	5,000	-	1,000
Automotive	280,243	179,583	**100,660**	101,347
Building	6,722	2,689	**4,033**	4,370
Ice Rink	7,518	7,518	-	-
	2,510,540	1,492,378	**1,018,162**	1,115,296

NOTE 3: INVESTMENT IN FIRST NATION CONTROLLED ENTITIES

	2008 $	2007 $
KWIOEK CREEK RESOURCES INC. (100%)		
Shares	**1**	1
Accumulated equity in earnings	**11,395**	206,257
TOTAL	**11,396**	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 2008 is as follows:

	ASSETS $	LIABILITIES $	REVENUE $	NET INCOME (LOSS) $
Year ended March 31/07				
Kwoiek Creek Resources Inc.	**41,841**	**30,445**	**3,198**	**(194,861)**

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

	2008 **$**	**2007** **$**
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	**36,994**	57,832
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	**101,776**	125,742
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	**146,513**	153,199
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.	**29,910**	45,043
	315,193	381,816

FUTURE PRINCIPAL REPAYMENTS

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

		$
2009		**69,809**
2010		**62,530**
2011		**34,894**
2012		**36,500**
2013	and beyond	**111,460**
		315,193

NOTE 6: MEMBERS' EQUITY

	2008 $	2007 $
Restricted		
Social Housing Fund	**641,486**	630,274
Trust Fund	**174,372**	163,381
Enterprise Fund	**22,616**	217,478
	838,474	1,011,133
Unrestricted		
Operating Fund	**(165,392)**	(40,361)
Capital Fund	**170,939**	201,449
	5,547	161,088
TOTAL EQUITY	**844,021**	1,172,221

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 $166,868.

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

	2008 $	2007 $
Deferred revenue is comprised of the following:		
Watermain Replacement 3551	**14,658**	14,658
New on Reserve Housing Approach 7450	**32,222**	36,822
Water Treatment Plant Construction 2131	**263,806**	263,817
Community Centre 4825	**-**	9,399
Highway Access Feasibility Study 4502	**17,055**	30,831
	327,741	355,527

KANAKA BAR INDIAN BAND

OPERATING FUND **Schedule 1**
STATEMENT OF FINANCIAL POSITION
March 31, 2008

	2008 $	2007 $
ASSETS		
Cash	**99,628**	284,370
Accounts receivable	**24,493**	10,337
Accounts receivable - tobacco	**32,902**	35,900
Member loans receivable	**45,636**	50,507
Property taxes receivable	**23,408**	23,408
Prepaid expenses	**2,272**	4,440
Inventory	**2,872**	3,494
Due from Fraser Canyon Tribal Administration	**2,443**	2,443
Due from Kanaka Bar Indian Band Social Housing	**6,672**	-
	240,326	414,899
LIABILITIES		
Accounts payable	**46,502**	32,081
Deferred revenue	**327,741**	355,527
Due to Kwoiek Creek Resources Inc.	**4,415**	34,524
Due to Skuppah Indian Band	**27,060**	25,875
Due to Kanaka Bar Indian Band Social Housing	-	7,253
	405,718	455,260
MEMBERS' EQUITY		
Unrestricted	**(165,392)**	(40,361)
	240,326	414,899

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, 2008

		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 Administration	3-1	113,082	8,473	-	-	121,555	207,385	(85,830)	(121,486)	-	**(207,316)**
Band Revenue	3-2	-	36,769	-	-	36,769	10,077	26,692	(386,647)	235,915	**(124,040)**
Recreation	3-3	-	-	-	-	-	-	-	-	-	-
Community Gardens	3-4	-	-	-	-	-	-	-	(123)	123	-
Indian Registry	3-5	1,616	-	-	-	1,616	1,616	-	-	-	-
HHSS Disengagement	3-6	-	-	-	-	-	-	-	57,821	-	**57,821**
Mountain Pine Beetle	3-7	-	138,565	-	-	138,565	117,981	20,584	-	-	**20,584**
Elementary/Secondary School	3-8	13,415	-	-	-	13,415	4,203	9,212	23,303	(23,303)	**9,212**
Post Secondary School Education	3-9	80,493	-	-	-	80,493	38,760	41,733	277,347	(240,442)	**78,638**
Private School	3-10	20,772	-	-	-	20,772	15,560	5,212	-	-	**5,212**
New Paths	3-11	-	10,057	-	-	10,057	11,139	(1,082)	-	1,082	-
School district fund	3-12	-	4,476	-	-	4,476	4,476	-	-	-	-
Social Assistance - Basic Needs	3-13	68,359	-	-	-	68,359	88,629	(20,270)	(25,600)	25,600	**(20,270)**
Guardian Financial Assistance	3-14	1,223	-	-	-	1,223	4,430	(3,207)	(876)	876	**(3,207)**
Special Needs	3-15	5,162	-	-	-	5,162	5,656	(494)	(87)	87	**(494)**
Service Delivery	3-16	21,451	-	-	-	21,451	16,252	5,199	(239)	-	**4,960**
In Home Care	3-17	9,495	-	-	-	9,495	9,196	299	(62)	62	**299**
Service Delivery - In Home Care	3-18	1,676	-	-	-	1,676	223	1,453	-	-	**1,453**
National Child Benefit	3-19	20,212	-	-	-	20,212	20,212	-	-	-	-
Employment and Training	3-20	2,438	-	-	-	2,438	2,438	-	-	-	-
Family Violence - Prevention Project	3-21	2,777	-	-	-	2,777	2,777	-	-	-	-
Watermain Replacement 3551	3-22	-	-	14,658	(14,658)	-	-	-	-	-	-
Maintenance (O&M)	3-23	45,476	3,103	-	-	48,579	92,085	(43,506)	(19,976)	-	**(63,482)**
Kwioek Hydro Project	3-24	-	-	-	-	-	-	-	(5,449)	-	**(5,449)**
New on Reserve Housing 7450	3-25	-	-	36,822	(32,222)	4,600	4,600	-	-	-	-
SUB-TOTAL		407,647	201,443	-	(17,055)	613,690	657,695	(44,005)	(202,074)	-	**(246,079)**

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, 2008

		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		407,647	201,443	-	(17,055)	613,690	657,695	(44,005)	(202,074)	-	**(246,079)**
Maintenance Building Site Design	3-26	-	-	-	-	-	-	-	(14,224)	-	**(14,224)**
IR#1 Subdivision Extension Feasibility 2795	3-27	-	-	-	-	-	-	-	(36,835)	-	**(36,835)**
Water Treatment Plant 2131	3-28	-	-	263,817	(263,806)	11	11	-	-	-	-
Community Centre 4825	3-29	(9,399)	-	9,399	-	-	-	-	-	-	-
Highway Access Feasibility 4502	3-30	-	-	30,831	(17,055)	13,776	13,776	-	-	-	-
Rural Rehabilitation Assistance	3-31	-	-	-	-	-	-	-	-	-	-
Economic Development	3-32	10,344	-	-	-	10,344	19,291	(8,947)	8,947	-	-
Taxation	3-33	-	28,868	-	-	28,868	100,947	(72,079)	203,825	-	**131,746**
TOTAL		408,592	230,311	355,527	(327,741)	666,689	791,720	(125,031)	(40,361)	-	**(165,392)**

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, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (1011)	-	**113,082**	127,650
Other Income	-	**8,473**	6,527
	-	**121,555**	134,177
EXPENDITURES			
Contracted services	-	**11,665**	1,634
Equipment lease	-	**3,708**	-
Honoraria	-	**7,575**	14,550
Insurance	-	**15,720**	5,518
Janitorial expense	-	**6,000**	6,000
Materials and supplies	-	**4,147**	2,706
Office and Miscellaneous	-	**14,914**	10,620
Professional fees	-	**19,046**	15,508
Salaries and benefits	-	**113,547**	106,605
Telephone	-	**4,539**	2,018
Travel	-	**4,074**	11,157
Utilities	-	**2,450**	2,434
	-	**207,385**	178,750
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(85,830)**	(44,573)
OPENING EQUITY (DEFICIT)		**(121,486)**	(76,913)
EQUITY (DEFICIT) AT END OF YEAR	-	**(207,316)**	(121,486)

KANAKA BAR INDIAN BAND

BAND REVENUE **Schedule 3-2**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Interest income	-	**3,625**	3,450
Rental Income	-	**2,000**	13,100
School District # 74	-	**628**	4,847
Tobacco Sales	-	**8,793**	18,088
Other income	-	**21,723**	26,370
	-	**36,769**	65,855
EXPENDITURES			
Materials & Supplies	-	**-**	1,281
Office & Miscellaneous	-	**2,000**	3,274
Repairs & Maintenance	-	**-**	117
Tobacco Purchases	-	**8,077**	17,869
Utilities	-	**-**	34
Vehicle Expenses	-	**-**	572
	-	**10,077**	23,147
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**26,692**	42,708
OPENING EQUITY (DEFICIT)		**(386,647)**	(429,355)
Transfers in (out)		**235,915**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(124,040)**	(386,647)

KANAKA BAR INDIAN BAND

RECREATION | **Schedule 3-3**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	-
OPENING EQUITY		-	(2,482)
Transfers in (out)		-	2,482
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

COMMUNITY GARDENS **Schedule 3-4**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Fraser Thompson Indian Services Society	-	-	13,500
Working Opportunity Program	-	-	14,434
	-	-	27,934
EXPENDITURES			
Materials and supplies	-	-	8
Repairs and Maintenance	-	-	2,973
Salaries and Benefits	-	-	22,801
Vehicle Expenses	-	-	2,275
	-	-	28,057
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	(123)
OPENING EQUITY (DEFICIT)		**(123)**	-
Transfers in (out)		**123**	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	(123)

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

KANAKA BAR INDIAN BAND

INDIAN REGISTRY **Schedule 3-5**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (2057)	-	**1,616**	1,683
EXPENDITURES			
Wages and benefits	-	**1,616**	1,683
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, 2008

	2008 Budget $	2008 Actual $	2007 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, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Central Interior First Nations	-	**38,829**	15,000
Work Opportunity Program	-	**35,822**	-
Government of Canada	-	**63,914**	-
	-	**138,565**	15,000
EXPENDITURES			
Contracted Services	-	**44,312**	1,354
Program Costs	-	**17,108**	-
Repairs and Maintenance	-	**-**	70
Salaries and Benefits	-	**53,357**	9,224
Vehicle Expenses	-	**3,204**	4,352
	-	**117,981**	15,000
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**20,584**	-
OPENING EQUITY (DEFICIT)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**20,584**	-

KANAKA BAR INDIAN BAND

ELEMENTARY / SECONDARY SCHOOL **Schedule 3-8**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Ancillary Services (2126)	-	**5,500**	5,060
- Comprehensive Education Support Services (2141)	-	**1,925**	1,771
- Guidance and Counselling (2139)	-	**3,350**	8,682
- Financial Assistance Allowance (2138)	-	**2,640**	1,650
	-	**13,415**	17,163
EXPENDITURES			
Allowance	-	**1,303**	3,515
Insurance	-	-	2,048
Salaries and Benefits	-	-	16,581
Supplies	-	**1,200**	2,600
Travel	-	**1,700**	847
	-	**4,203**	25,591
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**9,212**	(8,428)
OPENING EQUITY (DEFICIT)		**23,303**	31,731
Transfers in (out)	-	**(23,303)**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**9,212**	23,303

KANAKA BAR INDIAN BAND

POST SECONDARY SCHOOL EDUCATION **Schedule 3-9**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (2270)	-	**80,493**	88,849
EXPENDITURES			
Allowances	-	**18,013**	31,614
Supplies	-	**3,052**	2,969
Travel	-	**200**	225
Tuition	-	**17,495**	17,136
	-	**38,760**	51,944
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**41,733**	36,905
OPENING EQUITY (DEFICIT)		**277,347**	240,442
Transfers in (out)		**(240,442)**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**78,638**	277,347

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

KANAKA BAR INDIAN BAND

PRIVATE SCHOOL **Schedule 3-10**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Private Schools (2127)	-	**20,772**	41,643
- Prior year reimbursement (recovery)	-	-	12,775
	-	**20,772**	54,418
EXPENDITURES			
Tuition	-	**15,560**	41,643
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	**5,212**	12,775
OPENING EQUITY (DEFICIT)		-	(12,775)
EQUITY (DEFICIT) AT END OF YEAR	-	**5,212**	-

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, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
First Nations Education Steering Committee	-	**10,057**	15,036
EXPENDITURES			
New Paths (Supplies)	-	**4,037**	9,063
Travel	-	-	2,079
Wages and benefits	-	**7,102**	3,894
	-	**11,139**	15,036
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(1,082)**	-
OPENING EQUITY (DEFICIT)		-	-
Transfer in (out)		**1,082**	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

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

KANAKA BAR INDIAN BAND

SCHOOL DISTRICT FUNDS
For the year ended March 31, 2008

Schedule 3-12

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
School District #74 - Bus Funds	-	4,476	-
EXPENDITURES			
Wages and benefits	-	4,476	-
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 3-13

For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Basic Needs (2305)	-	**71,410**	63,759
- Prior year (recoveries)	-	**(3,051)**	(3,669)
	-	**68,359**	60,090
EXPENDITURES			
Basic Needs	-	**44,183**	32,564
Shelter	-	**44,446**	27,756
	-	**88,629**	60,320
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(20,270)**	(230)
OPENING EQUITY (DEFICIT)		**(25,600)**	(25,370)
Transfers in (out)		**25,600**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(20,270)**	(25,600)

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

KANAKA BAR INDIAN BAND

GUARDIAN FINANCIAL ASSISTANCE

Schedule 3-14

For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Child out of Parental Home Assistance (2307)	-	**1,223**	1,223
- Prior year reimbursements	-	-	1,752
	-	**1,223**	2,975
EXPENDITURES			
Guardian Financial Assistance	-	**4,430**	2,013
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(3,207)**	962
OPENING EQUITY (DEFICIT)		**(876)**	(1,838)
Transfers in (out)		**876**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(3,207)**	(876)

KANAKA BAR INDIAN BAND

SPECIAL NEEDS **Schedule 3-15**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Special Needs (2320)	-	**5,162**	5,031
- Prior year (recoveries)	-	-	(3,950)
	-	**5,162**	1,081
EXPENDITURES			
Special Needs	-	**5,656**	5,074
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(494)**	(3,993)
OPENING EQUITY (DEFICIT)		**(87)**	3,906
Transfer in (out)		**87**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**(494)**	(87)

KANAKA BAR INDIAN BAND

SERVICE DELIVERY **Schedule 3-16**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (2330)	-	**21,451**	21,097
EXPENDITURES			
Salaries and benefits	-	**6,152**	21,097
Service delivery expenses	-	**8,844**	-
Travel	-	**1,256**	239
	-	**16,252**	21,336
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**5,199**	(239)
OPENING EQUITY (DEFICIT)		**(239)**	-
EQUITY (DEFICIT) END OF THE YEAR	-	**4,960**	(239)

KANAKA BAR INDIAN BAND

IN HOME CARE

Schedule 3-17

For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- In-Home Care (2395)	-	**9,495**	9,017
- Prior year (recoveries)	-	-	(2,204)
	-	**9,495**	6,813
EXPENDITURES			
Adult Care	-	**9,196**	9,079
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**299**	(2,266)
OPENING EQUITY (DEFICIT)		**(62)**	2,204
Transfer in (out)		**62**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**299**	(62)

KANAKA BAR INDIAN BAND

SERVICE DELIVERY - IN HOME CARE

Schedule 3-18

For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (2391)	-	1,676	1,591
EXPENDITURES			
Miscellaneous	-	223	-
Wages and benefits	-	-	1,591
	-	223	1,591
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	1,453	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	1,453	-

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

KANAKA BAR INDIAN BAND

NATIONAL CHILD BENEFIT **Schedule 3-19**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (2440)	-	**20,212**	18,364
EXPENDITURES			
National Child Benefit	-	**20,212**	18,364
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 3-20**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (2308)	-	**2,438**	3,220
EXPENDITURES			
Employment and training	-	**2,438**	3,220
	-	**2,438**	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 3-21**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 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 3-22**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 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	-	-	-

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

KANAKA BAR INDIAN BAND

MAINTENANCE (O & M) **Schedule 3-23**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada			
- Water Systems (4211)	-	**13,686**	13,516
- Municipal (4269)	-	**5,969**	5,969
- Roads & Bridges (4243)	-	**24,681**	24,372
- Train - Fire Protection (4273)	-	**1,140**	1,140
House Maintenance	-	**3,103**	5,350
	-	**48,579**	50,347
EXPENDITURES			
Disposal	-	**1,200**	1,300
License, dues and fees	-	**9,745**	180
Loan payments - vehicle	-	**17,156**	17,155
Repairs and maintenance	-	**3,899**	1,000
Roads and bridges	-	**5,691**	9,431
Subcontract	-	**8,774**	18,286
Supplies	-	**4,118**	2,851
Utilities	-	**1,967**	2,182
Vehicle operations	-	**7,889**	4,032
Wages and benefits	-	**31,024**	-
Water systems maintenance	-	**622**	2,063
	-	**92,085**	58,480
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(43,506)**	(8,133)
OPENING EQUITY (DEFICIT)		**(19,976)**	(11,843)
EQUITY (DEFICIT) AT END OF YEAR	-	**(63,482)**	(19,976)

KANAKA BAR INDIAN BAND

KWIOEK HYDRO PROJECT
For the year ended March 31, 2008 **Schedule 3-24**

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Innergex II Inc.	-	-	-
EXPENDITURES			
Environmental studies	-	-	-
Hydrology study	-	-	(96,143)
	-	-	(96,143)
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	96,143
OPENING EQUITY (DEFICIT)		**(5,449)**	(101,592)
EQUITY (DEFICIT) AT END OF YEAR	-	**(5,449)**	(5,449)

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

KANAKA BAR INDIAN BAND

NEW ON RESERVE HOUSING 7450 **Schedule 3-25**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Allocation from deferred revenue	-	**36,822**	66,406
Allocation to deferred revenue	-	**(32,222)**	(36,822)
	-	**4,600**	29,584
EXPENDITURES			
Contracted services	-	**4,600**	6,000
Insurance	-	-	6,000
Materials and supplies	-	-	3,000
Renovations and repairs	-	-	213
	-	**4,600**	15,213
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 3-26**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE	-	-	-
EXPENDITURES			
Engineering fees	-	-	1,919
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	(1,919)
OPENING EQUITY (DEFICIT)		**(14,224)**	(12,305)
EQUITY (DEFICIT) AT END OF YEAR	-	**(14,224)**	(14,224)

KANAKA BAR INDIAN BAND

IR#1 SUBDIVISION EXTENSION FEASIBILITY 2795 **Schedule 3-27**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE	-	-	-
EXPENDITURES			
Engineering	-	-	22,833
Subcontract	-	-	1,158
	-	-	23,991
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	(23,991)
OPENING EQUITY (DEFICIT)		**(36,835)**	(12,844)
EQUITY (DEFICIT) AT END OF YEAR	-	**(36,835)**	(36,835)

KANAKA BAR INDIAN BAND

WATER TREATMENT PLANT CONSTRUCTION 2131 **Schedule 3-28**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Allocation from deferred revenue	-	**263,817**	263,817
Allocation to deferred revenue	-	**(263,806)**	(263,817)
	-	**11**	-
EXPENDITURES			
Utilities	-	**11**	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**-**	-
OPENING EQUITY (DEFICIT)		**-**	-
EQUITY (DEFICIT) AT END OF YEAR	-	**-**	-

KANAKA BAR INDIAN BAND

COMMUNITY CENTRE 4825 **Schedule 3-29**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Allocation from deferred revenue	-	**9,399**	9,399
Allocation to deferred revenue	-	-	(9,399)
Indian and Northern Affairs Canada - prior year recoveries	-	**(9,399)**	-
	-	-	-
EXPENDITURES	-	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUES OVER EXPENDITURES	-	-	-
OPENING EQUITY (DEFICIT)		-	-
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

HIGHWAY ACCESS FEASIBILITY STUDY 4502
For the year ended March 31, 2008

Schedule 3-30

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (4243)	-	-	76,142
Allocation from deferred revenue	-	**30,831**	515
Allocation to deferred revenue	-	**(17,055)**	(30,831)
	-	**13,776**	45,826
EXPENDITURES			
Engineering fees	-	**13,776**	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

For the year ended March 31, 2008 **Schedule 3-31**

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (4426)	-	-	22,432
Canada Mortgage and Housing Corporation	-	-	42,050
	-	-	64,482
EXPENDITURES			
Contracted services	-	-	44,891
Supplies	-	-	18,004
Miscellaneous	-	-	5,580
Repairs and maintenance	-	-	225
Vehicle operations	-	-	1,040
	-	-	69,740
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	-	(5,258)
OPENING EQUITY (DEFICIT)		-	(9,113)
Transfer in (out)		-	14,371
EQUITY (DEFICIT) AT END OF YEAR	-	-	-

KANAKA BAR INDIAN BAND

ECONOMIC DEVELOPMENT
For the year ended March 31, 2008

Schedule 3-32

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Indian and Northern Affairs Canada (4180)	-	**10,344**	10,344
EXPENDITURES			
Travel	-	-	684
Wages and benefits	-	**19,291**	9,660
	-	**19,291**	10,344
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(8,947)**	-
OPENING EQUITY (DEFICIT)		**8,947**	8,947
EQUITY (DEFICIT) AT END OF YEAR	-	-	8,947

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

KANAKA BAR INDIAN BAND

PROPERTY TAXATION **Schedule 3-33**
For the year ended March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Taxation	-	**8,692**	41,826
BC Hydro	-	**14,184**	14,184
Interest	-	**5,992**	8,255
	-	**28,868**	64,265
EXPENDITURES			
Bank charges and interest	-	**139**	139
Community development	-	**30,215**	-
Dues and fees	-	**1,922**	-
Events	-	**-**	423
HHSS disengagement	-	**10,010**	-
Land assessments	-	**-**	714
Materials and supplies	-	**2,526**	644
Telephone	-	**-**	209
Travel	-	**6,401**	5,593
Truck Purchase	-	**43,205**	-
Wages and benefits	-	**6,254**	20,313
Workshops	-	**275**	-
	-	**100,947**	28,035
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(72,079)**	36,230
OPENING EQUITY (DEFICIT)		**203,825**	170,077
Transfers in (out)	-	**-**	(2,482)
EQUITY (DEFICIT) AT END OF YEAR	-	**131,746**	203,825

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND
SCHEDULE OF FINANCIAL POSITION
March 31, 2008

Schedule 4

	2008 $	2007 $
ASSETS		
Cash	**30,200**	29,076
Accounts receivable - renters	**87,267**	62,855
Canada Mortgage and Housing Corporation interest subsidy receivable	**1,846**	2,325
Due from Kanaka Bar Indian Band	**-**	7,253
Cash - Replacement Reserve Fund (Note 7)	**9**	4
Cash - Subsidy Surplus Fund (Note 8)	**-**	5
Capital assets (Note 2)	**817,313**	868,804
	936,635	970,322
LIABILITIES		
Accounts payable	**2,249**	2,000
Accrued mortgage interest payable	**945**	1,275
Due to Kanaka Bar Indian Band	**6,672**	-
Long-term debt (Note 5)	**285,283**	336,773
	295,149	340,048
BAND MEMBERS' EQUITY AND FUNDS		
Operating Fund	**(57,422)**	(56,662)
Replacement Reserve Fund (Note 7)	**166,877**	154,905
Contributed Surplus	**532,031**	532,031
	641,486	630,274
	936,635	970,322

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND — Schedule 5
SCHEDULE OF REVENUE AND EXPENDITURES - OPERATING
March 31, 2008

	2008 Budget $	2008 Actual $	2007 Actual $
REVENUE			
Rental income	-	**72,993**	73,081
Canada Mortgage & Housing Corporation interest subsidy	-	**27,423**	27,902
Interest Income	-	**1,135**	1,040
	-	**101,551**	102,023
EXPENDITURES			
Operating costs			
Garbage removal	-	**2,600**	2,600
Insurance	-	**9,126**	12,285
Repairs and maintenance	-	**1,647**	460
	-	**13,373**	15,345
Administration costs			
Administration fees	-	**7,069**	6,473
Audit fees	-	**2,295**	2,000
CMHC adjustments	-	**(53)**	-
Workshops and other	-	**200**	-
	-	**9,511**	8,473
Amortization costs			
Mortgage interest	-	**13,772**	16,139
Mortgage principal repayments	-	**51,491**	49,270
	-	**65,263**	65,409
Reserves			
Appropriations to Replacement Reserve Fund	-	**14,164**	14,164
	-	**102,311**	103,391
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	-	**(760)**	(1,368)
OPENING EQUITY (DEFICIT)	-	**(56,662)**	(55,294)
EQUITY (DEFICIT) AT END OF THE YEAR	-	**(57,422)**	(56,662)

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

KANAKA BAR INDIAN BAND

SOCIAL HOUSING FUND
SCHEDULE OF REVENUE AND EXPENDITURES
REPLACEMENT RESERVE (NOTE 8)
March 31, 2008

Schedule 6

	2008 $	2007 $
REVENUE		
Appropriations from the Operating Fund	**14,164**	14,164
Prior year adjustment for Canada Mortgage and Housing Corporation	**(53)**	-
	14,111	14,164
EXPENDITURES		
Repairs and maintenance	**2,139**	451
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**11,972**	13,713
EQUITY (DEFICIT) AT THE BEGINNING OF THE YEAR	**154,905**	141,192
EQUITY (DEFICIT) AT THE END OF THE YEAR	**166,877**	154,905

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

KANAKA BAR INDIAN BAND

CAPITAL FUND
SCHEDULE OF FINANCIAL POSITION
March 31, 2008

Schedule 7

	2008 $	2007 $
ASSETS (Note 2)		
Land	**21,350**	21,353
Domestic water systems	**71,530**	107,294
Equipment and furniture	**1,857**	5,040
Computer equipment	**1,416**	6,088
Software	-	1,000
Automotive	**100,663**	101,347
Building	**4,033**	4,370
Ice Rink	-	-
	200,849	246,492
LIABILITIES AND EQUITY		
GMAC loan payable (Note 6)	**29,910**	45,043
Members' Equity	**170,939**	201,449
	200,849	246,492

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

KANAKA BAR INDIAN BAND

CAPITAL FUND
SCHEDULE OF CHANGES IN EQUITY
March 31, 2008

Schedule 8

	2008 $	2007 $
ADDITIONS		
From the Operating Fund	**43,205**	-
Principal reduction on capital asset loan	**15,133**	14,353
	58,338	14,353
LESS		
Depreciation of capital assets	**88,848**	99,019
	(30,510)	(84,666)
OPENING EQUITY (DEFICIT)	**201,449**	286,115
EQUITY (DEFICIT) AT THE END OF YEAR	**170,939**	201,449

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

KANAKA BAR INDIAN BAND

TRUST FUND **Schedule 9**
SCHEDULE OF FINANCIAL POSITION
March 31, 2008

	2008 $	2007 $
ASSETS (Note 4)		
Cash in Ottawa Trust Funds	**174,372**	163,381
LIABILITIES AND EQUITY		
Equity in Ottawa Trust Funds	**174,372**	163,381

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, 2008

	2008 $	2007 $
ADDITIONS		
Interest earned	**7,145**	11,857
BC special	**518**	1,824
Canada Pacific Railway Corp	**3,328**	-
	10,991	13,681
OPENING EQUITY (DEFICIT)	**163,381**	149,700
EQUITY (DEFICIT) AT THE END OF YEAR	**174,372**	163,381

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, 2008

	2008 $	2007 $
ASSETS		
Investment in All Nations Trust Company	**11,220**	11,220
Investments, Loans and Advances to First Nation Controlled Entities (Note 3)	**11,396**	206,258
	22,616	217,478
MEMBERS' EQUITY	**22,616**	217,478

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, 2008

	2008 $	2007 $
REVENUES		
Share of Net Income (Loss) for the year:		
Kwoiek Creek Resources Inc	**(194,862)**	240,540
Kwoiek Creek Resources Inc - prior year losses	-	(34,282)
	(194,862)	206,258
EXPENDITURES	-	-
ANNUAL EXCESS (SHORTFALL) OF REVENUE OVER EXPENDITURES	**(194,862)**	206,258
OPENING EQUITY (DEFICIT)	**217,478**	11,220
EQUITY AT END OF YEAR	**22,616**	217,478

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 Inc., CGAs, whose report outlines the scope of their opinion on the financial statements.

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

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

Original Signed by James Frank

Chief

Original Signed by Evelyn Michell

Councillor

Kanaka Band

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

KANAKA BAR INDIAN BAND

March 31, 2008

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.

Original Signed by James Frank
____________________ Chief

Original Signed by Evelyn Michell
____________________ Councilor

Original Signed on July 28, 2008
____________________ Date

KANAKA BAR INDIAN BAND

SUMMARY STATEMENT OF FINANCIAL POSITION — Statement 1
March 31, 2008

	2008 $	2007 $
ASSETS		
Cash	**129,828**	313,446
Restricted cash	**174,381**	163,390
Accounts receivable	**26,339**	12,662
Accounts receivable - renters	**87,267**	62,855
Accounts receivable - tobacco	**32,902**	35,900
Member loans receivable	**45,636**	50,507
Property taxes receivable	**23,408**	23,408
Prepaid expenses	**2,272**	4,440
Inventory	**2,872**	3,494
Due from Fraser Canyon Tribal Administration	**2,443**	2,443
Capital assets (Note 2)	**1,018,162**	1,115,296
Investment in All Nations Trust Company	**11,220**	11,220
Investment in First Nation Controlled Entities (Note 3)	**11,396**	206,258
	1,568,126	2,005,319
LIABILITIES		
Accounts payable	**49,696**	35,356
Deferred revenue (Note 9)	**327,741**	355,527
Due to Kwoiek Creek Resources Inc.	**4,415**	34,524
Due to Skuppah Indian Band	**27,060**	25,875
Long-term debt (Note 5)	**315,193**	381,816
	724,105	833,098
MEMBERS' EQUITY (Note 6)		
Restricted	**838,474**	1,011,133
Unrestricted	**5,547**	161,088
	844,021	1,172,221
	1,568,126	2,005,319

APPROVED ON BEHALF OF
THE KANAKA BAR INDIAN BAND

Original Signed by James Frank
____________________ Chief

Original Signed by Evelyn Michell
____________________ Councilor

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

KANAKA BAR INDIAN BAND

March 31, 2008

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.

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Original Signed by James Frank
____________________________ Chief

Original Signed by Evelyn Michell
____________________________ Councilor

Original Signed on July 28, 2008
____________________________ Date

KANAKA GROUP

TAB 1 KANAKA BAR INDIAN BAND

TAB 2 KANAKA BAR INDIAN BAND SOCIAL HOUSING

TAB 3 KWOIEK CREEK RESOURCES INC.

SKUPPAH

TAB1 SKUPPAH INDIAN BAND

TAB 2 SKUPPAH INDIAN BAND SOCIAL HOUSING

2 bound – chief council / 1 bkkg

4 white

1 white INAC
1 sign + return
1 photocopying
~~3 bound~~

same for both

FCTA – 2 bound. chiefs
4 white
1 sign + return.
1 photocopying

4 on Bond - 2 bound, chief + council
- 2 unbound

4 Dbl Sided - bound
1 Dbl Sided - unbound for IHAC

KANAKA BAR INDIAN BAND
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KANAKA BAR INDIAN BAND
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