

**ALASKA HIGHWAY ABORIGINAL
PIPELINE COALITION**

**FINANCIAL STATEMENTS
(Unaudited)**

December 31, 2007

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REVIEW ENGAGEMENT REPORT

To the Members of
Alaska Highway Aboriginal Pipeline Coalition

I have reviewed the statement of financial position of Alaska Highway Aboriginal Pipeline Coalition as at December 31, 2007 and the statements of operations and changes in net assets and cash flows for the year then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures, and discussion of information supplied to me by the organization.

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

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

M. McKay & Associates
Certified General Accountant

Whitehorse, Yukon
June 30, 2008

ALASKA HIGHWAY ABORIGINAL PIPELINE COALITION
STATEMENT OF FINANCIAL POSITION
(Unaudited)
December 31, 2007

ASSETS		<u>2007</u>	<u>2006</u>
CURRENT			
Cash	\$	117,430	\$ 34,400
Accounts receivable		57,646	5,758
Purchase deposits		-	200
Prepaid expenses		<u>1,150</u>	<u>1,288</u>
		<u>176,226</u>	<u>41,646</u>
	\$	<u>176,226</u>	\$ <u>41,646</u>
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	18,647	\$ 3,300
Deferred revenue (Note 6)		<u>114,157</u>	<u>34,462</u>
		<u>132,804</u>	<u>37,762</u>
NET ASSETS			
Unrestricted net assets		<u>43,422</u>	<u>3,884</u>
	\$	<u>176,226</u>	\$ <u>41,646</u>

Approved by the Directors:

_____, Director

_____, Director

ALASKA HIGHWAY ABORIGINAL PIPELINE COALITION
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

(Unaudited)

For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
REVENUE		
Government of Yukon	\$ 200,000	\$ 172,237
Canada - INAC	18,000	-
BP Canada	15,000	10,000
TransCanada Pipeline	20,000	-
Other	-	300
Touch the North	-	13,650
Conoco Phillips Canada	12,500	-
Enbridge	7,500	11,738
Canada - CEEA	<u>37,500</u>	<u>-</u>
	<u>310,500</u>	<u>207,925</u>
EXPENSES		
Administration	-	4,227
Advertising and promotion	-	4,234
Bank charges	135	14
Board	4,138	7,539
Capital assets purchases	-	8,346
Conferences and seminars	73,406	38,335
Contracts	96,510	88,957
Meetings	2,281	106
Office and general	7,326	443
Professional fees	138	4,653
Rent	1,400	2,255
Telephone, fax and internet	5,933	3,641
Travel	<u>-</u>	<u>9,056</u>
	<u>191,267</u>	<u>171,806</u>
EXCESS OF REVENUE OVER EXPENSES	<u>119,233</u>	<u>36,119</u>
Transfer from deferred revenue	34,462	-
Transfer to deferred revenue (Note 6)	<u>(114,157)</u>	<u>(34,462)</u>
EXCESS OF REVENUE OVER EXPENSES	39,538	1,657
UNRESTRICTED NET ASSETS, beginning of year	<u>3,884</u>	<u>2,227</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 43,422</u>	<u>\$ 3,884</u>

ALASKA HIGHWAY ABORIGINAL PIPELINE COALITION
STATEMENT OF CASH FLOWS
(Unaudited)
For the year ended December 31, 2007

	<u>2007</u>	<u>2006</u>
OPERATING ACTIVITIES		
Cash receipts from contributions	144,655	171,094
Cash paid to supplies, for conferences	(96,087)	(250,005)
Prior years deferred revenue	<u>34,462</u>	<u>-</u>
Cash flow from operating activities	<u>83,030</u>	<u>(78,911)</u>
INCREASE (DECREASE) IN CASH	83,030	(78,911)
CASH, beginning of year	<u>34,400</u>	<u>113,312</u>
CASH, end of year	<u>\$ 117,430</u>	<u>\$ 34,401</u>
Represented by:		
Cash	<u>\$ 117,430</u>	<u>\$ 34,400</u>
	<u>\$ 117,430</u>	<u>\$ 34,400</u>

ALASKA HIGHWAY ABORIGINAL PIPELINE COALITION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
December 31, 2007

1. PURPOSE OF THE ORGANIZATION

The Alaska Highway Aboriginal Pipeline Coalition is a society registered under the Yukon Societies Act. The purpose of the society is for members to assess proposals related to the construction of the natural gas pipeline along the Alaska Highway route and where possible, to work together in the spirit of cooperation, mutual respect and in accordance with traditional first nation values to identify and assess matters of importance with respect to the proposed Alaska Highway Pipeline which matters may include, but shall not be limited to: the integrity of the environment, lands, and first nation culture; economic opportunities and benefits; tax and royalty revenues; employment and training programs; and governmental programs including social, health, employment, and policing services.

2. SIGNIFICANT ACCOUNTING POLICIES

- a) The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements. Actual results could differ from those reported.
- b) In accordance with optional Canadian generally accepted accounting procedures for small organizations, Alaska Highway Aboriginal Pipeline Coalition reports capital assets as expenses in the year they are purchased. Proceeds from the disposition of capital assets are reported as revenue in the year they are sold. No amortization is recorded, nor are the capital assets reported on the statement of financial position.
- c) The organization recognizes restricted contributions and in accordance with the deferral method. Contributions from funding agencies are recognized as revenue when the offsetting expense is incurred.
- d) The organization does not record in its books of account the value of contributed materials and services.

3. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that there are no significant currency, credit or interest risks arising from these financial instruments. The fair value of the instruments approximates their carrying values, unless otherwise noted.

4. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with current year presentation.

ALASKA HIGHWAY ABORIGINAL PIPELINE COALITION
NOTES TO FINANCIAL STATEMENTS
(Unaudited)
December 31, 2007

5. ECONOMIC DEPENDENCE

The organization is dependent upon the Government of Yukon and various First Nations governments for continued financial support.

6. DEFERRED REVENUE

	<u>2007</u>	<u>2006</u>
Government of Yukon	\$ 87,105	\$ 10,812
Indian and Northern Affairs Canada	1,800	-
Industry	25,252	10,000
Touch the North	<u>-</u>	<u>13,650</u>
	<u>\$ 114,157</u>	<u>\$ 34,462</u>