COLUMBIA BASIN TRUST

CONSOLIDATED FINANCIAL STATEMENTS

AS AT MARCH 31, 2009

CONTENTS

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying consolidated financial statements and all of the information contained in the Annual Report. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include amounts that are based on estimates and judgements. Management believes that the financial statements fairly present CBT's consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgements relating to matters not concluded by fiscal year end, is the responsibility of management. The financial statements have been approved by CBT's Board of Directors.

Management has established and maintained appropriate systems of internal control which are designed to provide reasonable assurance that CBT's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of financial statements. These systems include formal written policies and appropriate delegation of authority and segregation of responsibilities within the organization.

The independent external auditors, Yule Anderson, Chartered Accountants, have been appointed by CBT's Board of Directors, to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, CBT's financial position, results of operations, changes in net assets and cash flows in conformity with Canadian generally accepted accounting principles. The Auditor's report follows and outlines the scope of their examination and their opinion on the consolidated financial statements.

The Board of Directors, through the Audit Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal controls. The Audit Committee, comprised of directors who are not employees, meets regularly with the external auditors and management to satisfy itself that each group has properly discharged its responsibility to review the financial statements before recommending approval by the Board of Directors. The external auditors have full and open access to the Audit Committee, with and without the presence of management.

Neil Muth
President & Chief Executive Officer

Christine Lloyd
Director, Finance & Operations

AUDITOR'S REPORT

To the Directors of Columbia Basin Trust:

To the Minister of Community Development:

We have audited the consolidated statement of financial position of Columbia Basin Trust as at March 31, 2009 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of 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 consolidated financial statements present fairly, in all material respects, the financial position of Columbia Basin Trust as at March 31, 2009 and the results of its operations, changes in its net assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Castlegar, BC
May 29, 2009

CHARTERED ACCOUNTANTS

COLUMBIA BASIN TRUST
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2009
(in thousands of dollars)

	2009	2008 (as restated)
ASSETS		
CURRENT		
Cash (Note 5)	$ 14,812	$ 22,670
Recoverable channel repair costs	-	6,450
Unbilled power project revenue	5,117	4,713
Accrued interest and other assets	5,980	6,730
	25,909	40,563
INVESTMENTS		
Power projects (Note 6)	368,594	367,510
Private placements (Note 7)	55,030	43,802
Income securities (Note 8)	36,463	45,383
Market securities (Note 9)	12,451	-
	472,538	456,695
OTHER		
Property, plant & equipment (Note 10)	2,873	2,549
Deferred amounts (Note 11)	29,239	24,708
	32,112	27,257
	$ 530,559	$ 524,515
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	$ 4,020	$ 13,000
Accrued interest expense	2,724	2,867
Current portion of long-term debt (Note 12)	22,331	12,671
	29,075	28,538
LONG-TERM DEBT		
Long-term debt (Note 12)	125,497	128,246
NET ASSETS		
Power projects (Restricted) (Note 17)	277,331	276,968
Unrestricted	98,656	90,763
	375,987	367,731
	$ 530,559	$ 524,515

COMMITMENTS (Notes 15 and 19)
CONTINGENCIES (Note 16)

Approved on behalf of the Board of Directors:

Garry Merkel
Chair

Mike Berg
Chair, Audit Committee

The accompanying notes are an integral part of this consolidated statement.

COLUMBIA BASIN TRUST
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDING MARCH 31, 2009
(in thousands of dollars)

	2009	2008 (as restated)
REVENUES		
Power projects (Note 6)	$ 18,891	$ 17,581
Private placements (Note 13)	1,478	1,840
Income securities	1,540	1,872
Market securities (Note 9)	208	-
Contributions from the Province of BC	2,000	2,089
	24,117	23,382
OPERATING EXPENSES		
Amortization	337	295
Board and committee expenses	195	198
Corporate travel and meetings	209	207
Communications	306	339
Information technology/systems	116	58
Office and general	471	435
Professional and consultants fees	168	220
Staff remuneration and development	3,129	2,752
	4,931	4,504
RECOVERIES		
Recovery from Columbia Power Corporation (Note 18(a))	522	493
Recovery of management services (Note 18(b))	282	220
	804	713
INCOME BEFORE OTHER ITEMS	19,990	19,591
UNREALIZED LOSS ON MARKET SECURITIES (Note 9)	2,758	-
DELIVERY OF BENEFITS (Note 19)	8,976	5,350
EXCESS OF REVENUES OVER EXPENSES	$ 8,256	$ 14,241

The accompanying notes are an integral part of this consolidated statement.

COLUMBIA BASIN TRUST
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING MARCH 31, 2009
(in thousands of dollars)

	Power Projects (Restricted)	Unrestricted	2009	2008
NET ASSETS, as previously reported	$ 276,968	$ 90,558	$ 367,526	$ 353,490
Prior period adjustment (Note 22)	-	205	205	-
REVISED NET ASSETS, beginning of year	276,968	90,763	367,731	353,490
Additional power project cash available for distribution	363	(363)	-	-
Excess of revenues over expenses	-	8,256	8,256	14,241
NET ASSETS, end of year	$ 277,331	$ 98,656	$ 375,987	$ 367,731

The accompanying notes are an integral part of this consolidated statement.

COLUMBIA BASIN TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING MARCH 31, 2009
(in thousands of dollars)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from power project joint ventures	$ 47,155	$ 43,883
Cash paid for power project joint ventures operating expenses	(21,253)	(26,709)
Cash received from private placements	3,958	3,423
Cash paid for private placements operating expenses	(1,404)	(538)
Cash received from income securities	1,709	1,704
Cash received from market securities	208	-
Cash received from the Province of BC	2,000	2,089
Cash paid for operating expenses	(3,249)	(4,417)
Cash paid for Delivery of Benefits disbursements	(8,976)	(5,350)
	20,148	14,085
CASH FLOWS APPLIED TO INVESTING ACTIVITIES		
Investment in power projects	(10,157)	(5,956)
(Investment in) repayment of business loans	(6,615)	550
Investment in real estate projects	(6,842)	(4,990)
Purchase of income and market securities	(6,287)	(7,316)
Purchase of property, plant & equipment	(661)	(229)
Investment in deferred power project costs	(3,999)	(2,276)
	(34,561)	(20,217)
CASH FLOWS FROM/APPLIED TO FINANCING ACTIVITIES		
Proceeds from placement of debt	13,127	11,484
Repayment of debt	(6,572)	(5,998)
	6,555	5,486
DECREASE IN CASH	(7,858)	(646)
CASH, beginning of year	22,670	23,316
CASH, end of year	$ 14,812	$ 22,670

The accompanying notes are an integral part of this consolidated statement.

(in thousands of dollars)

1. NATURE OF COLUMBIA BASIN TRUST

Columbia Basin Trust (CBT) is a corporation established by the *Columbia Basin Trust Act.* The purpose of CBT is to manage its assets for the ongoing economic, social and environmental well being of the Columbia Basin region. The sole share of CBT is held by the Minister of Finance on behalf of the Province.

The Province initially provided CBT with $276 million that is restricted to investments in power projects, $45 million in unrestricted endowment capital and $32 million in operating grants payable in annual instalments of $2 million until 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

CBT is a not-for-profit organization as defined by Canadian generally accepted accounting principles and accordingly follows the accounting standards applicable to such organizations.

(b) Consolidation

The accounts of CBT and its subsidiaries are consolidated in these financial statements. Intercompany balances and transactions have been eliminated. The interest of CBT's investment in joint ventures is consolidated by CBT on a proportionate basis. Under the proportionate consolidation method, CBT records, on a line-by-line basis within its consolidated financial statements and notes, its proportionate share of the joint ventures' assets, liabilities, revenues, expenses and cash flows.

(c) Capitalization and Amortization

Property, plant & equipment is recorded at cost and is amortized on a straight-line basis over its expected useful life. Amortization begins when an asset is placed into service. The expected useful lives, in years, are as follows:

	Years
Power projects	
Arrow Lakes Generating Station	5 - 80
Brilliant Dam	30 - 80
Brilliant Expansion	40 - 80
Real estate investments	
Buildings and improvements	30
CBT office	
Building	30
Office furniture and equipment	5
Leasehold improvements	4 - 10
Computer equipment and software	3

(d) Real Estate Investments

Investments in real estate are carried at cost net of accumulated amortization.

(e) Deferred Amounts

Costs incurred in determining the feasibility of acquiring investments are deferred. When a project's acquisition or development is complete, the deferred costs form part of the capital cost of the project. If a project is abandoned, the related deferred costs are charged to operations in the period of abandonment. The appropriateness of deferring a project's costs is considered annually. When a project's costs exceed those likely to be recovered, the excess costs are charged to operations.

(f) Deferred Debt Issue Costs

Expenditures incurred in issuing long-term debt are recorded with their associated long-term debt and amortized using the effective interest rate method.

(g) Revenue Recognition

CBT follows the deferral method of accounting for contributions. Endowment contributions are recognized as direct increases in net assets.

(h) Taxes

CBT is exempt from income taxes under paragraph 149(1) (d) of the *Income Tax Act*. CBT is also exempt from Federal large corporations tax under subsection 181.1(3) of the *Income Tax Act*.

(i) Measurement Uncertainty

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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Asset Retirement Obligations

Some of CBT's assets may have asset retirement obligations. As CBT expects to use the majority of its assets for an indefinite period, no removal date can be determined and as a result, a reasonable estimate of the fair value of any asset retirement obligations cannot be made at this time.

(k) Financial Instruments

CBT has designated its financial instruments as follows:

Held-for-trading

Cash, income securities, and market securities are classified as held-for-trading. These financial assets are measured at fair value with changes in fair value recognized in income.

Loans and receivables

Investments in business loans are classified as loans and receivables. These financial assets are recorded at amortized cost net of any allowance for loan losses. The fair values of these loans do not differ significantly from their carrying values.

Other liabilities

Accounts payable and accrued liabilities, current portion of long-term debt, and long-term debt are classified as other liabilities. These financial liabilities are recorded at values that approximate their amortized cost using the effective interest method.

(l) Change in accounting policies

Effective April 1, 2008, CBT adopted the following new accounting standards issued by the CICA:

Section 3862 - Financial Instruments Disclosure and Section 3863 - Financial Instruments Presentation which requires disclosure to assist users of the financial statements to evaluate the nature and extent of risks from financial instruments to which CBT is exposed. This disclosure is outlined in Note 20 of these financial statements.

Section 1535 - Capital Disclosures which requires disclosure of information related to the objectives, policies and processes for managing capital, and particularly whether externally imposed capital requirements have been complied with. This additional disclosure is outlined in Note 21 of these financial statements.

3. FUTURE ACCOUNTING POLICY CHANGES

Goodwill and intangible assets

On April 1, 2009, CBT will be adopting the new *Section 3064, Goodwill and Intangible Assets.* The new standard provides guidance on intangible assets, particularly for internally developed intangible assets. CBT is currently assessing the impact of implementing this new standard.

International Financial Reporting Standards (IFRS)

In February 2008, the Accounting Standards Board (AcSB) confirmed that publicly accountable enterprises will be required to adopt IFRS in place of Canadian generally accepted accounting principles (GAAP) for interim and annual financial reporting in fiscal years beginning on or after January 1, 2011. The Public Sector Accounting Board (PSAB) is currently deliberating the definition of publicly accountable enterprise as it applies to government entities including CBT and its subsidiaries. The outcome of these deliberations is not known and therefore the need for CBT and its subsidiaries to adopt IFRS has not been determined. Given the considerable effort required for the adoption of IFRS, CBT has commenced an IFRS conversion project. An external advisor has been engaged to perform a detailed review of major differences between Canadian GAAP and IFRS to provide analysis on the impact of IFRS on CBT's consolidated financial statements. Management and the Chair of CBT's Audit Committee have participated in detailed IFRS training seminars and conversion is in the early stages. As a result, the impact of IFRS on CBT's future financial position and results of operations is not reasonably determinable.

4. JOINT VENTURES

CBT participates in joint ventures with other parties and accounts for its interests using the proportionate consolidation method. The following amounts represent CBT's proportionate share of the assets, liabilities, revenues, expenses and cash flows of these joint ventures:

	March 31, 2009	March 31, 2008
Assets		
Current	$ 19,705	$ 28,819
Investments	412,904	406,644
Other	29,239	24,708
	$ 461,848	$ 460,171
Liabilities		
Current	$ 28,968	$ 27,267
Long-term debt	125,498	128,246
Net Assets		
Power and non-power project investments	307,382	304,658
	$ 461,848	$ 460,171
Net Income		
Revenues	$ 50,290	$ 46,356
Operating expenses	(21,412)	(19,010)
Finance charges	(9,545)	(9,623)
	$ 19,333	$ 17,723
Cash Flows		
Operating activities	$ 27,437	$ 18,684
Investing activities	(20,998)	(14,041)
Financing activities	6,556	5,869
	$ 12,995	$ 10,512

5. CASH

	March 31, 2009	March 31, 2008
Restricted Cash	$ 319	$ 4,126
Non Restricted Cash	14,493	18,544
	$ 14,812	$ 22,670

The restricted portion of cash is for the payment of construction liabilities or is held in a contingency fund for real estate investments.

6. POWER PROJECTS

CBT participates in power projects through joint ventures with Columbia Power Corporation (CPC), a Crown Corporation. CBT's interest in power projects is as follows:

	March 31, 2009	March 31, 2008
Brilliant Dam	$ 102,053	$ 103,046
Arrow Lakes Generating Station	136,897	141,096
Brilliant Expansion	129,644	123,368
	$ 368,594	$ 367,510

The Brilliant Dam is a 145 MW powerplant located on the Kootenay River near Castlegar, BC. The Arrow Lakes Generating Station is a 185 MW powerplant constructed 400 meters downstream of the BC Hydro Hugh Keenleyside Dam near Castlegar, BC. The project also consists of a 48 km 230 kv transmission line that extends from the powerplant to the BC Hydro substation at Selkirk. CBT and CPC acquired the rights to develop and operate a new hydroelectric power facility, a portion of which was allocated to the existing Brilliant Dam in connection with upgrades. The expansion rights have been fully exercised with the completion of the Brilliant Expansion in 2007. The Brilliant Expansion is a 120 MW power generation development located near the existing Brilliant Dam. Amortization of the expansion rights commenced with commercial operations.

POWER PROJECT ASSETS ARE AS FOLLOWS:

	Cost	Accumulated Amortization	March 31, 2009	March 31, 2008
Brilliant Dam				
Property, plant & equipment	$ 120,508	$ (23,654)	$ 96,854	$ 97,813
Land	2,544	-	2,544	2,509
Expansion rights	2,763	(108)	2,655	2,724
	125,815	(23,762)	102,053	103,046
Arrow Lakes Generating Station				
Property, plant & equipment	148,984	(21,767)	127,217	130,457
Power sales contract	11,376	(5,392)	5,984	6,943
Land	3,696	-	3,696	3,696
	164,056	(27,159)	136,897	141,096
Brilliant Expansion				
Property, plant & equipment	122,888	(3,297)	119,591	113,053
Expansion rights	10,463	(410)	10,053	10,315
	133,351	(3,707)	129,644	123,368
	$ 423,222	$ (54,628)	$ 368,594	$ 367,510

NET POWER PROJECT INCOME CONSISTS OF:

	March 31, 2009	March 31, 2008
Revenues:		
Sale of power	$ 44,739	$ 39,591
ecoEnergy grants	2,416	-
Insurance recovery	-	4,292
	47,155	43,883
Expenses:		
Finance charges	(8,142)	(8,420)
Operation of powerplants	(11,147)	(9,667)
Channel repair costs	(92)	(417)
Amortization of powerplant assets	(8,883)	(7,798)
	(28,264)	(26,302)
	$ 18,891	$ 17,581

CBT and CPC have entered into a contribution agreement with the Government of Canada to receive ecoENERGY power grants for a period of ten years. The grants are earned at the rate of $10 per megawatt hour and are based on sales of eligible energy generated by the Brilliant Expansion. The Brilliant Expansion is expected to produce adequate power over the ten year period of the contribution agreement to receive the maximum entitlement of $4.7 million per year. CBT's portion is $2.4 million per year.

7. PRIVATE PLACEMENTS

Private placements consist of real estate and business loans. CBT's interest in private placements is as follows:

		March 31, 2009		March 31, 2008
Real estate	$	37,757	$	33,147
Business loans		17,273		10,655
	$	55,030	$	43,802

Real Estate

CBT's interest in seniors' care facilities is as follows:

		Land		Building		March 31, 2009		March 31, 2008
Operating facilities	$	2,063	$	33,363	$	35,426	$	32,698
Projects under development		-		5,725		5,725		2,764
Less: Accumulated amortization		-		(3,394)		(3,394)		(2,315)
	$	2,063	$	35,694	$	37,757	$	33,147

Projects under development consist of two new seniors' care facilities. The construction of Mountain Side Village located in Fruitvale, BC was substantially completed in the spring of 2009. This facility includes 53 fully occupied living suites and is currently awaiting completion of final landscaping. The construction of Lake View Village located in Nelson, BC consists of 90 living suites and is scheduled to be complete and occupied in the fall of 2009.

Business Loans

CBT provides business loans that are generally secured by real estate and have terms extending no further than fifteen years. A portion of these loans are made in partnership with other lending organizations, with the remainder of the loans made directly by CBT.

		March 31, 2009		March 31, 2008
Business loans	$	17,362	$	10,744
Less: Loan loss allowance		(89)		(89)
	$	17,273	$	10,655

Maturity Terms

		Under 1 Year		1 to 5 Years		5 to 10 Years		10 to 15 Years		2009 Total
Business loans	$	8,713	$	6,999	$	1,450	$	200	$	17,362
Less:										
Loan loss allowance										(89)
									$	17,273

8. INCOME SECURITIES

CBT's interest in income securities is as follows:

	March 31, 2009	March 31, 2008
Unrestricted		
Term securities	$ 29,903	$ 38,855
Restricted		
Debt service reserve fund	3,934	3,964
Operating reserve fund	1,341	1,306
Power agreement account	1,285	1,258
	$ 36,463	$ 45,383

The Debt service reserve fund and the Operating reserve account are required under the terms of joint venture debt financing, which requires that cash or cash equivalents equal to one semi-annual payment on the Brilliant Dam Bonds and an amount equal to one-quarter of annual operating expenses be maintained. The power agreement account secures letters of credit issued to BC Hydro for development security under two power sales agreements. These funds are not available to CBT.

9. MARKET SECURITIES

CBT's interest in market securities is as follows:

	March 31, 2009	March 31, 2008
Market securities	$ 12,451	$ -

In July 2008, CBT invested $15 million in a diversified securities portfolio which includes short-term deposits, bonds and equities. The portfolio is managed by BC Investment Management Corporation on behalf of CBT. Due to market fluctuations, the portfolio has declined in market value to $12.4 million as at March 31, 2009.

MARKET SECURITIES INCOME

	March 31, 2009	March 31, 2008
Dividends/Interest	$ 282	$ -
Realized loss	(74)	-
	$ 208	$ -

UNREALIZED LOSS ON MARKET SECURITIES

	March 31, 2009	March 31, 2008
Opening balance	$ -	$ -
Contributions	15,208	-
Ending balance, March 31, 2009	15,208	-
Market value, March 31, 2009	12,450	-
Unrealized loss on market securities	$ 2,758	$ -

10. PROPERTY, PLANT & EQUIPMENT

CBT's interest in property, plant & equipment is as follows:

	Cost	Accumulated Amortization	March 31, 2009	March 31, 2008
Land	$ 70	$ -	$ 70	$ 70
Columbia Basin Building	3,180	(856)	2,324	2,097
Office furniture and equipment	612	(367)	245	188
Leasehold improvements	627	(457)	170	146
Computer equipment and software	1,457	(1,393)	64	48
	$ 5,946	$ (3,073)	$ 2,873	$ 2,549

11. DEFERRED AMOUNTS

CBT's interest in deferred amounts is as follows:

	March 31, 2009	March 31, 2008
Waneta expansion rights	$ 12,700	$ 12,700
Waneta deferred project costs	16,539	12,008
	$ 29,239	$ 24,708

The Waneta Expansion Project is a proposal to install an additional 335 MW power generation facility at the existing Waneta Dam which is owned by Teck Resources Ltd. The Province purchased the expansion rights for $25.4 million in 1994 to undertake an expansion. CBT owns half of the hydroelectric power expansion rights. These rights include options to acquire lands near the Waneta Dam at no additional cost and the right to develop and operate a new hydroelectric facility. This Project is now in the advanced stages of pre-development work and is projected to take place over a four year period with the fall of 2009 being the earliest expected construction date for the project.

The deferral of power project costs is based on management's judgement of anticipated future events. A number of significant estimates and qualitative factors have been considered by management in determining the viability of each project. Changes in significant assumptions underlying the future cash flow estimates of the project have a material effect on its economic viability.

	March 31, 2009	March 31, 2008
Waneta Deferred Project Costs:		
Project Design	$ 4,472	$ 2,523
Environmental Analysis	2,412	2,306
Socioeconomic Analysis	238	219
Finance/Legal Analysis	1,296	978
CPC/CBT Management	8,121	5,982
	$ 16,539	$ 12,008

12. LONG-TERM DEBT

	March 31, 2009	March 31, 2008
Power project debt:		
Brilliant Dam bonds Series "A", "B", and "C", interest rates varying between 5.67% and 8.93%, maturing May 2026	$ 74,906	$ 76,923
Arrow Lakes bonds Series "A", bearing interest at 5.39%, maturing March 2015	31,442	35,441
Real estate debt:		
Mortgage loans, interest rates varying between 5.1% and 6.1%, maturing on different dates between November 2009 and August 2013	28,670	25,216
Loan from Columbia Power Corporation	15,268	6,104
	150,286	143,684
Less: Deferred debt issue costs	(2,458)	(2,767)
Less: Current portion of long-term debt	(22,331)	(12,671)
	$ 125,497	$ 128,246

(a) Brilliant Dam and Arrow Lakes Bonds

The Series "A" bonds bear interest at 8.93%, Series "B" bonds bear interest at 6.86%, and the Series "C" bonds bear interest at 5.67%. The Brilliant Dam bonds are redeemable by CBT in whole or in part at any time before May 31, 2026 at a price equal to the greater of the principal amount then outstanding, or a price calculated to provide a yield to maturity based on the current yield of a matching duration Government of Canada bond plus 0.30%, 0.31% and 0.23%, respectively. The bonds are secured on a limited recourse basis by charges against the Brilliant Dam assets and revenues.

The Arrow Lakes bonds are redeemable in whole or in part at any time before March 31, 2015 at a price equal to the greater of the principal amount then outstanding, or a price calculated to provide a yield to maturity based on the current yield of a matching duration Government of Canada bond plus 0.23%. The bonds are secured on a limited recourse basis by charges against the Arrow Lakes Generating Station assets and revenues.

(b) Real Estate Debt

The purpose of the mortgage loans was to provide financing for the acquisition of land and the construction of seniors' care facilities. The loans are repayable in equal monthly payments of principal and interest amortized over 25 years and are secured by first, fixed and floating charges over all the assets of the seniors' care facilities.

(c) Loan from Columbia Power Corporation

During the year, CPC advanced $8.9 million (fiscal 2008 - $5.9 million) in cash to the Brilliant Expansion Power Corporation (BEPC), a jointly owned corporation, to assist with the payment of a settlement to the contractor and to allow equity to be transferred from BEPC to another jointly owned corporation. The advance includes $277 thousand (fiscal 2008 - $178 thousand) of accrued interest at March 31, 2009.

Interest accrues at the same rate as applied to CPC for other short term borrowings from the Province of British Columbia. The loan, including accrued interest, is payable on demand. However, CPC will endeavour to provide reasonable notice to BEPC before making demand for repayment of the loan.

(d) Guarantees by joint venturers

The joint venturers of the Columbia Village and Creston Village joint ventures are jointly and severally liable for the full amount of the joint venture mortgages. The joint venturers of the Castle Wood Village, Garden View Village, Creston Village Expansion, Rocky Mountain Village, Joseph Creek Village, Lake View Village, and Mountain Side Village joint ventures gave separate guarantees for 50% of the original mortgage proceeds.

(e) Principal repayments

Scheduled principal repayments are estimated as follows:

2010	$ 22,332
2011	7,474
2012	7,932
2013	8,425
2014	8,946
Thereafter	95,177
	$ 150,286

13. PRIVATE PLACEMENTS INCOME

	March 31, 2009	March 31, 2008
Real estate		
Revenues	$ 2,939	$ 2,462
Finance charges	(1,403)	(1,214)
Amortization	(1,107)	(918)
	429	330
Business loans	1,049	1,510
	$ 1,478	$ 1,840

14. NON-RECOURSE CREDIT FACILITY

Consistent with its agreements with its Bondholders, Brilliant Power Corporation (BPC) has established a $10 million credit facility. The facility shares the same security as the Bondholders. The facility was deactivated on April 1, 2005. Subject to an annual credit review the facility continues to be available.

15. COMMITMENTS

(a) Power Project Debt

Under its agreements with its Bondholders, Arrow Lakes Power Corporation (ALPC) and BPC have committed to keep the Arrow Lakes Generating Station and the Brilliant Dam in good operating condition and to affect all necessary repairs and replacements to the Arrow Lakes Generating Station and the Brilliant Dam to maintain the Brilliant Dam entitlement in a manner that is consistent with good industry practice.

(b) CBT Office

CBT has entered into operating lease agreements for its office space with terms expiring at various dates in the future.

(c) Brilliant Expansion

The project approval certificate issued for the Brilliant Expansion by the BC Environmental Assessment Office contains a number of commitments during pre-construction, construction, post-construction and operations phases which are being actively managed by CBT and CPC.

16. CONTINGENCIES

CBT's power project operations and investment activities are affected by federal, provincial and local government laws and regulations. Under current regulations, CBT is required to meet performance standards to minimize or mitigate negative impacts of proposed projects. Furthermore, CBT's agreements with its Bondholders require compliance in all material respects with such laws and regulations. The impact, if any, of future legislative or regulatory requirements on specific projects and financing covenants cannot currently be estimated.

CBT is contingently liable as a guarantor of its co-venturers' portions of certain real estate joint venture debt. As at March 31, 2009 the balance of the co-venturers' portion of the debt was $5.6 million (fiscal 2008 - $5.7 million).

In May 2009, CBT was named in a legal claim initiated by an outside party. In consultation with legal counsel, CBT management believes that CBT was incorrectly named as a party to this action. CBT has received confirmation from legal counsel that Notices of Discontinuance of the actions against CBT will be filed. Accordingly, no provision has been made.

17. NET ASSETS

Power project investment capital is restricted by the Province's condition that its $276 million power project contribution is to be used to finance the equity requirements of power projects.

18. RELATED PARTY TRANSACTIONS

(a) Columbia Power Corporation

CBT has entered into a contract for the provision of information systems servicing and support to CPC. During fiscal 2009, CPC paid $382,000 (fiscal 2008 - $368,000) under this agreement.

CPC rents a portion of the Columbia Basin Building which is owned by CBT. During fiscal 2009, CPC paid $140,000 (fiscal 2008 - $125,000) under this lease.

CPC advanced $8.9 million (fiscal 2008 - $5.9 million) in cash to the Brilliant Expansion Power Corporation, a jointly owned corporation, to assist with the payment of a settlement to the contractor and to allow equity to be transferred from Brilliant Expansion to another jointly owned corporation.

(b) Power Project Joint Ventures

Under the terms of their joint venture agreements, CBT and CPC charge the joint ventures for management services. The amounts charged include staff compensation and general overhead costs attributable to joint venture activities (CBT's share is 50%).

		March 31, 2009	March 31, 2008
(i)	Payments to CPC	$ 7,666	$ 6,603
(ii)	Payments to CBT	$ 282	$ 220

The joint venturers also paid $254,000 (fiscal 2008 - $670,000) to BC Hydro and Power Authority and $87,000 (fiscal 2008 - $75,000) to BC Transmission Authority, both for project consulting services provided at market rates.

19. DELIVERY OF BENEFITS

In addition to disbursing $9.0 million in 2008/09, CBT has an additional $2.2 million in outstanding financial commitments through delivery of benefits programs at March 31, 2009. These commitments have been approved and have either not yet been disbursed, or are linked to actual project completion with a portion of funds held back until CBT is satisfied that projects are complete.

CBT has also entered into a number of multi-year commitments for program delivery over the next two years. As at March 31, 2009, CBT has $4.2 million committed for 2009/10 funding and $3.7 million for 2010/11 funding.

20. FINANCIAL INSTRUMENTS

(a) Designation and valuation of Financial Instruments

The carrying values of CBT's financial instruments compared to their fair values are as follows:

The fair values of cash, accrued interest and other assets, and accounts payable and accrued liabilities approximate their carrying values due to the short term maturity of these instruments.

The fair values of income securities and market securities is determined by using quoted market values.

Business loans are measured at their outstanding principle amounts on an amortized cost basis. The fair value of business loans is determined by reducing the carrying amount of the loan to its estimated realizable amount.

Long-term debt is measured at amortized cost using the effective interest method. Fair values approximate their carrying value since their interest rates are comparable to market rates.

(b) Risks

Exposure to interest rate risk, credit risk, liquidity risk and market risk occur in the normal course of CBT's operations.

Interest rate risk

CBT's long-term liabilities bear interest at fixed rates and cash, incomes securities and business loans are subject to variable interest rates. CBT is not exposed to significant interest rate risk for current liabilities due to the short-term nature of its current liabilities.

Credit risk

CBT extends credit within its business loans. An assessment of the credit worthiness of a borrower is carried out prior to the placement of a business loan which mitigates CBT's risk. CBT's exposure to credit risk is as indicated by the carrying amount of its business loans.

Liquidity risk

CBT monitors and maintains its liquidity to ensure sufficient capacity to repay its financial liabilities when they become due. CBT considers that it has sufficient liquidity to meet its financial obligations.

Market risk

CBT is exposed to interest rate risk on its fixed-interest and variable-interest financial instruments. Fixed-interest instruments subject CBT to a fair value risk while the variable-interest instruments subject it to a cash flow risk.

21. CAPITAL MANAGEMENT

CBT's capital management objectives are to generate a predictable, sustainable and appreciating income stream to fund Delivery of Benefits obligations and to maintain CBT's ability to fund its operational needs. CBT's capital management is reviewed annually to ensure sufficient funds are available to meet its financial obligations and operational needs.

CBT's capital consists of net assets plus total debt.

	March 31, 2009	March 31, 2008
Total debt	$ 147,828	$ 140,917
Net Assets	375,987	367,731
Total	$ 523,815	$ 508,648

22. PRIOR PERIOD ADJUSTMENT

CBT's financial statements have been restated to correct a 2007/08 error in Brilliant Expansion Power Corporation. A portion of the water rental expense recorded in 2007/08 was incorrectly stated as it related to 2008/09. This expense is netted in power project revenues. A receivable related to the water rental expense was also not recorded in 2007/08. CBT's consolidated financial statements have been restated to reflect these changes as follows:

	March 31, 2008
Accrued interest and other assets	$ 205
Water rental expense netted in power project revenues	$ (205)

23. COMPARATIVE FIGURES

Certain 2008 comparative figures have been reclassified to conform to the current year's presentation.