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To the membership of Tlowitsis First Nation:

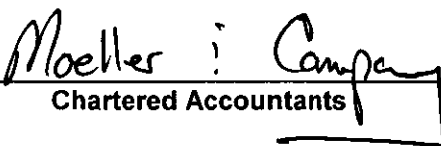
We have audited the summary financial statements of Tlowitsis First Nation as at March 31, 2010, and reported thereon on November 30, 2010.

A Schedule of Federal Government Funding (Schedule) is required to be presented to the membership of Tlowitsis First Nation pursuant to the funding agreement between Indian and Northern Affairs Canada and Tlowitsis First Nation. The Schedule has been compiled by the management of Tlowitsis First Nation from their records. For the purposes of understanding our involvement with this schedule, please note that:

- We have audited and separately reported on the summary financial statements;
- Our audit was conducted for the purposes of forming an opinion on the summary financial statements taken as a whole;
- The attached schedule is presented for the purpose of forming an opinion for the Membership and Indian and Northern Affairs Canada and does not form part of the summary financial statements; and
- The schedule has been subjected to the auditing procedures applied to the audit of the summary financial statements taken as a whole.

During the course of the aforementioned audit, we encountered no discrepancies on this Schedule. However, no procedures have been carried out on this Schedule in addition to those necessary to form an opinion on the summary financial statements.

This report has been prepared in accordance with the applicable Assurance and Related Services Guideline issued by the Canadian Institute of Chartered Accountants.


Chartered Accountants

Campbell River, B.C.
November 30, 2010

TLOWITSIS FIRST NATION
 SCHEDULE OF FEDERAL GOVERNMENT FUNDING
 YEAR ENDED MARCH 31, 2010

Federally Funded Programs and Services Directly Funded by the Government of Canada	Federal Funding Received \$	Unexpended Funding at Beginning of Year \$	Adjustments \$	Total Funding Available \$	Total Expenditures from all Sources \$	Unexpended Funding at End Of Year \$
INAC PROGRAMS						
EDUCATION - SCHOOL SUPPLIES	1,320	7,805	---	9,125	1,500	7,625
EDUCATION - SUPPORT FUNDING	1,309	31,925	---	33,234	2,171	31,063
MEMBERSHIP	2,765	2,061	---	4,826	2,954	1,872
POST SECONDARY EDUCATION	123,089	11,076	3,676	137,841	163,716	(25,875)
BAND SUPPORT	139,704	(18,414)	25,735	147,025	204,883	(57,858)
ECONOMIC DEVELOPMENT	24,711	1,299	---	26,010	22,912	3,098
FINANCIAL ASSISTANCE ALLOWANCE	880	1,110	---	1,990	951	1,039
GUIDANCE AND COUNSELLING	2,278	11,325	---	13,603	130	13,473
BC CLAIMS	(33,000)	46,270	4,180	17,450	---	17,450
TOTAL	263,056	94,457	33,591	391,104	399,217	(8,113)
CMHC						
SOCIAL HOUSING FUND	17,399	(88,131)	36,125	(34,607)	64,642	(99,249)
GRAND TOTAL	280,455	6,326	69,716	356,497	463,859	(107,362)