

# McALPINE & CO.

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CHARTERED ACCOUNTANTS

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*(A partnership of incorporated professionals)*

## AUDITORS' REPORT

To the Members  
Kitsumkalum Band Council:

We have audited the consolidated financial statements of Kitsumkalum Band Council for the year ended March 31, 2002 for the purpose of forming an opinion on the financial statements taken as a whole referred to in our auditors' report to the members of Kitsumkalum Band Council dated July 5, 2002.

We have also audited the Schedule of Federal Government Funding for the year ended March 31, 2002 which is presented as additional information as required by the terms of the funding arrangement between DIAND and Kitsumkalum Band Council and does not form part of the consolidated financial statements. The Schedule has been subjected to the auditing procedures applied to the consolidated financial statements of Kitsumkalum Band Council taken as a whole. The Schedule is the responsibility of the Band Council's management.

In our opinion, the Schedule present fairly the information contained therein in all respects material to the consolidated financial statements of Kitsumkalum Band Council.

Terrace, B.C.  
July 5, 2002

*McAlpine & Co.*

CHARTERED ACCOUNTANTS

KITSUMKALUM BAND COUNCIL

SCHEDULE OF FEDERAL GOVERNMENT FUNDING

FOR THE YEAR ENDED MARCH 31, 2002

Program	Accumulated Surplus (Deficit) March 31/01	Federal Funding	Band and Other Revenue	Total Expenditures	Surplus (Deficit) For The Year	Loan Borrowings for Purchase of Capital Assets	Debt Principal Repayments on Capital Asset Loans	Program Transfers	Accumulated Surplus (Deficit) March 31/02
<i>Band Management</i>									
Band Administration - DIAND	\$ (6,886)	\$ 174,374	\$ 10,000	\$ 380,064	\$ (195,690)	\$		150,000	(52,576)
Membership - DIAND	1,783	4,593		3,843	750				2,533
Professional Development/ Governance - DIAND	544			544	(544)				
<i>Community Operations</i>									
Municipal Services - DIAND	(107,265)	123,490	6,000	367,142	(237,652)	77,280	(4,696)	47,712	(224,621)
Community Building - Operations - DIAND	(31,353)	8,500	31,161	49,111	(9,450)				(40,803)
Emergency Response Preparedness - DIAND	(3,682)								(3,682)
<i>Social Development</i>									
Administration - DIAND	69	46,804		46,698	106				175
Basic Needs - DIAND	(17,095)	295,514		307,298	(11,784)			1,430	(27,449)
Special Needs - DIAND	487	14,357		12,248	2,109			(3)	2,593
Guardian Financial Assistance - DIAND	43	24,000		21,035	2,965			(1,137)	1,871
Community Services - DIAND		6,494		6,449	45				45
Adult Care - DIAND	(8,062)	26,235		20,282	5,953			(3,270)	(5,379)
Family Support Services - DIAND	1	8,380		8,380					1
Family Violence - DIAND									
National Child Benefit Reinvestment - DIAND	22	26,038		14,044	11,994			(12,001)	15
Welfare Reform - DIAND	96							(96)	
Aboriginal Head Start Program - Health Cda	4,277	45,000	33,996	156,020	(77,024)			59,000	(13,747)

KITSUMKALUM BAND COUNCIL

SCHEDULE OF FEDERAL GOVERNMENT FUNDING

FOR THE YEAR ENDED MARCH 31, 2002

Program	Accumulated Surplus (Deficit) March 31/01	Federal Funding	Band and Other Revenue	Total Expenditures	Surplus (Deficit) For The Year	Loan Borrowings for Purchase of Capital Assets	Debt Principal Repayments on Capital Asset Loans	Program Transfers	Accumulated Surplus (Deficit) March 31/02
<i>Education</i>									
Guidance - DIAND	(657)	30,125		51,343	(21,218)			21,973	98
Tuition - DIAND	(461)	14,080		12,625	1,455				994
Tuition Agreements - DIAND	(1)	408,683		408,684	(1)				(2)
Post Secondary - DIAND	911	259,536		192,251	67,285			(21,900)	46,296
Education Reform - DIAND	73							(73)	
T.E.S.I. - DIAND	19	7,092		7,069	23			(19)	23
Private Schools - DIAND	(4,495)	20,566		24,148	(3,582)				(8,077)
'Na Aksa Gifa Kyew School - DIAND		117,894	10,400	145,853	(17,559)			68,096	50,537
<i>Economic Development, Training and Job Creation</i>									
Economic Development Coordinator - DIAND	163	76,566		31,453	45,113				45,276
Housing Internship - CMHC		18,560	3,610	25,149	(2,979)			2,979	
<i>Community Health Resources</i>									
Brighter Futures - Health Cda	186	31,937		32,702	(765)			(1,000)	(1,579)

KITSUMKALUM BAND COUNCIL

SCHEDULE OF FEDERAL GOVERNMENT FUNDING

FOR THE YEAR ENDED MARCH 31, 2002

Program	Accumulated Surplus (Deficit) March 31/01	Federal Funding	Band and Other Revenue	Total Expenditures	Surplus (Deficit) For The Year	Loan Borrowings for Purchase of Capital Assets	Debt Principal Repayments on Capital Asset Loans	Program Transfers	Accumulated Surplus (Deficit) March 31/02
<i>Community Health Resources continued</i>									
Community Health	2,207	40,044		40,048	(4)				2,203
Representative - Health Cda									
Building Healthier Communities - Health Cda	988	72,000	2,700	75,966	(1,266)			1,000	722
Drug and Alcohol - Health Cda	429	48,466		48,526	(60)				369
Integrated Health - Health Cda	63	57,139		61,991	(4,852)				(4,789)
<i>Other</i>									
Funded Pension Benefits - DIAND	642	47,324		33,097	14,382			(15,000)	24
Resource Access Negotiations - DIAND	(5,395)	30,000	155	24,605	5,395				
Housing Renovations - DIAND	48,262	5,700		8,112	(2,412)			(1,263)	44,587
RRAP Capital Housing									
Renovations - CMHC	13,057	44,284		60,139	(15,855)			1,263	(1,535)
NORHA Housing - DIAND	194,647			34,456	(34,456)				160,191
B.C. Capacity Initiative - DIAND	(3,095)	75,000		74,825	175				(2,920)
Tri-Accord, Land & Resources - DIAND	142,500			140,851	(140,851)				1,649
Site Remediation - DIAND		15,000			15,000				15,000
Joint Policy Development - DIAND		42,000		17,084	24,916			(21,269)	3,647

KITSUMKALUM BAND COUNCIL  
 SCHEDULE OF FEDERAL GOVERNMENT FUNDING  
 FOR THE YEAR ENDED MARCH 31, 2002

Program	Accumulated Surplus (Deficit) March 31/01	Federal Funding	Band and Other Revenue	Total Expenditures	Surplus (Deficit) For The Year	Loan Borrowings for Purchase of Capital Assets	Debt Principal Repayments on Capital Asset Loans	Program Transfers	Accumulated Surplus (Deficit) March 31/02
<i>Social Housing Program - CMHC</i>	\$ (232,852)	\$ 120,776	\$ 196,949	\$ 206,297	\$ 111,428	\$	\$ (166,808)	\$	\$ (288,232)
<i>Capital Funding Programs</i>									
Physical Development Plan - DIAND	(3,010)								(3,010)
Capital Housing Feasibility - DIAND	(8,920)								(8,920)
Gyilk Subdivision - Phase II	31,386	30,601		104,598	(73,997)				(42,611)
Benchlands Subdivision - DIAND				1,662	(1,662)				(32,218)
Medical Clinic/Professional Building - Health Cda	(30,556)								(13,222)
Maintenance Yard Expansion - DIAND	(13,222)								1,076
Capital Band Housing - DIAND	1,076								(16,271)
Subdivision Construction - DIAND	(16,271)								(4,126)
Capital Public Works - Sanitation - DIAND	(4,126)								21,840
Water - DIAND	806,880	113,069		850,397	(737,328)			(47,712)	(51,466)
Roads - DIAND	(34,421)			17,045	(17,045)				2,070
Asset Management System - DIAND	2,070			21,382	(21,382)				2,737
Community Building - DIAND	24,119	89,252		13,270	75,982				75,982
Flood Emergency Preparedness - DIAND									
<b>GRAND TOTALS - 2002</b>	<b>\$ 745,175</b>	<b>\$ 2,619,473</b>	<b>\$ 294,971</b>	<b>\$ 4,158,786</b>	<b>\$ (1,244,342)</b>	<b>\$ 77,280</b>	<b>\$ (171,504)</b>	<b>\$ 228,710</b>	<b>\$ (364,681)</b>