

## DERIVATIVE REPORT BY THE AUDITOR

To the Members

Kitsumkalum Band Council:

We have audited the consolidated financial statements of Kitsumkalum Band Council as at March 31, 2008 and for the year then ended and reported on under date of July 31, 2008.

Pursuant to the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated January, 2008, the Schedule of Federal Government Funding has been compiled by the management of Kitsumkalum Band Council from their records. For the purposes of understanding our involvement with this schedule, please note that:

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

However, no procedures have been carried out on this schedule in addition to those necessary to form an opinion on the consolidated 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, and is to be used solely to satisfy Department of Indian Affairs funding requirements and should not be referred to or used for any other purposes.

Terrace, B.C.

July 31, 2008



CHARTERED ACCOUNTANTS

KITSUMKALUM BAND COUNCIL  
SCHEDULE OF FEDERAL GOVERNMENT FUNDING  
FOR THE YEAR ENDED MARCH 31, 2008

Federally Funded Program and Services Directly Funded by the Government of Canada	Federal Funding Received	Unexpended Funding Beginning of Year	Adjustments	Total Funding Available	Funding Expended	Unexpended Funding End of Year
<b>INAC</b>						
Elementary/Secondary Education	\$ 598,660	\$ 2,861	\$ 12,500	\$ 614,021	\$ 613,468	\$ 553
Post-Secondary Education	268,861	3		268,864	268,864	
Economic Development	31,736	84,240		115,976	84,240	31,736
Indian Government Support	235,858			235,858	235,858	
Lands and Trust Services	5,345	676		6,021	4,059	1,962
Community Infrastructure	467,932	31,331		499,263	379,111	120,152
Housing		33,537		33,537	6,096	27,441
Self-Government	29,780	5,567		35,347	29,780	5,567
Income Assistance/Social Assistance	308,088	65,520		373,608	299,272	74,336
Social Support Services	108,275	12,653		120,928	101,718	19,210
<b>Total INAC</b>	<b>2,054,535</b>	<b>236,388</b>	<b>12,500</b>	<b>2,303,423</b>	<b>2,022,466</b>	<b>280,957</b>
<b>Health Canada</b>						
Aboriginal Diabetes Initiative	12,661			12,661	12,661	
Brighter Futures	34,485			34,485	34,485	
Mental Health	22,314			22,314	22,314	
Canada Prenatal Nutrition	7,594			7,594	7,594	
Community Health Promotion & Injury/Illness Prevention	98,476			98,476	98,476	
Community Health Primary Care	63,459			63,459	63,459	
Environmental Health Program	9,240			9,240	9,240	
National Native Alcohol & Drug Abuse	39,712			39,712	39,712	
Solvent Abuse	4,845			4,845	4,845	
Aboriginal Headstart	56,100			56,100	56,100	
HIV/AIDS	800			800	800	
Communicable Disease Control	2,750			2,750	2,750	
Health Services		(2,282)	2,282			
Capital		5,977		5,977		5,977
<b>Total Health Canada</b>	<b>352,436</b>	<b>3,695</b>	<b>2,282</b>	<b>358,413</b>	<b>352,436</b>	<b>5,977</b>

SCHEDULE OF FEDERAL GOVERNMENT FUNDING

FOR THE YEAR ENDED MARCH 31, 2008

Federally Funded Program and Services Directly Funded by the Government of Canada	Federal Funding Received	Unexpended Funding Beginning of Year	Adjustments	Total Funding Available	Funding Expended	Unexpended Funding End of Year
<b><u>CMHC</u></b>						
Non-Profit On-Reserve Housing	98,780			98,780	98,780	
<b>Total CMHC</b>	<b>98,780</b>			<b>98,780</b>	<b>98,780</b>	
<b><u>OTHER</u></b>						
<b>Fisheries and Oceans Canada (DFO)</b>						
Fish Wheel/Catch Monitoring/Fisheries Management	117,964			117,964	117,964	
<b>Total Other</b>	<b>117,964</b>			<b>117,964</b>	<b>117,964</b>	
<b>TOTAL</b>	<b>\$ 2,623,715</b>	<b>\$ 240,083</b>	<b>\$ 14,782</b>	<b>\$ 2,878,580</b>	<b>\$ 2,591,646</b>	<b>\$ 286,934</b>