

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, 2009 and for the year then ended and reported on under date of August 7, 2009.

Pursuant to the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated February, 2009, 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.
August 7, 2009

McAlpine & Co.

CHARTERED ACCOUNTANTS

KITSUMKALUM BAND COUNCIL
SCHEDULE OF FEDERAL GOVERNMENT FUNDING
FOR THE YEAR ENDED MARCH 31, 2009

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
<u>INAC</u>						
Education	955,722	553	16,711	972,986	972,984	2
Economic Development		31,736	(31,736)			
Indian Government Support	263,701			263,701	263,701	
Indian Registration	6,862	1,962		8,824	5,814	3,010
Community Development	337,988	147,593	(123,260)	362,321	312,941	49,380
Claims and Indian Government	63,895	5,567		69,462	69,462	
Social Development	442,381	93,546	(86,680)	449,247	430,837	18,410
Governance and Institutions of Government	23,300			23,300	23,300	
Total INAC	2,093,849	280,957	(224,965)	2,149,841	2,079,039	70,802
<u>Health Canada</u>						
Aboriginal Diabetes Initiative	12,661			12,661	12,661	
Brighter Futures	35,520			35,520	35,520	
Mental Health	22,983			22,983	22,983	
Canada Prenatal Nutrition	7,822			7,822	7,822	
Community Health Promotion & Injury/Illness Prevention	116,430			116,430	116,430	
Community Health Primary Care	67,438			67,438	67,438	
Environmental Health Program	9,240			9,240	9,240	
National Native Alcohol & Drug Abuse	39,712			39,712	39,712	
Solvent Abuse	4,990			4,990	4,990	
Aboriginal Headstart	65,600			65,600	65,600	
HIV/AIDS	821			821	821	
Capital		5,977		5,977		5,977
Total Health Canada	383,217	5,977		389,194	383,217	5,977

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 FOR THE YEAR ENDED MARCH 31, 2009

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
<u>CMHC</u>						
Non-Profit On-Reserve Housing	112,530			112,530	112,530	
Total CMHC	112,530			112,530	112,530	
<u>OTHER</u>						
Fisheries and Oceans Canada (DFO) Fish Wheel/Catch Monitoring/Fisheries Management	116,768			116,768	116,768	
Total Other	116,768			116,768	116,768	
TOTAL	\$ 2,706,364	\$ 286,934	\$ (224,965)	\$ 2,768,333	\$ 2,691,554	\$ 76,779