

## DERIVATIVE REPORT BY THE AUDITOR

To the Members

Kitsumkalum Indian Band:

We have audited the consolidated financial statements of Kitsumkalum Indian Band as at March 31, 2011 and for the year then ended and reported on under date of December 23, 2011.

Pursuant to the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated February, 2010, the Schedule of Federal Government Funding has been compiled by the management of Kitsumkalum Indian Band 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.

December 23, 2011

  
CHARTERED ACCOUNTANTS

**KITSUMKALUM INDIAN BAND**  
**SCHEDULE OF FEDERAL GOVERNMENT FUNDING**  
**FOR THE YEAR ENDED MARCH 31, 2011**

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>INAC</u></b>						
Education	840,198	4,176	(69,527)	774,847	772,259	2,588
Economic Development	88,857			88,857	88,857	
Indian Government Support	298,990		(1,674)	297,316	297,316	
Indian Registration	5,784	2,192		7,976	7,161	815
Community Development Claims and Indian Government Social Development	707,738	24,171		731,909	710,075	21,834
	476,252	19,214	(1,942)	493,524	453,093	40,431
<b>Total INAC</b>	<b>2,417,819</b>	<b>49,753</b>	<b>(73,143)</b>	<b>2,394,429</b>	<b>2,328,761</b>	<b>65,668</b>
<b><u>Health Canada</u></b>						
Aboriginal Diabetes Initiative	16,353			16,353	16,353	
Brighter Futures	37,684			37,684	37,684	
Mental Health	24,382			24,382	24,382	
Canada Prenatal Nutrition	8,299			8,299	8,299	
Community Health Promotion & Injury/Illness Prevention	152,883			152,884	152,883	1
Community Health Primary Care	89,343	1		89,344	69,343	20,001
Environmental Health Program	11,040			11,040	11,040	
National Native Alcohol & Drug Abuse	39,712			39,712	39,712	
Solvent Abuse	5,294			5,294	5,294	
Aboriginal Headstart	56,100			56,100	56,100	
HIV/AIDS	821			821	821	
Capital	176,377		(6,201)	170,176	170,176	
<b>Total Health Canada</b>	<b>618,288</b>	<b>2</b>	<b>(6,201)</b>	<b>612,089</b>	<b>592,087</b>	<b>20,002</b>

KITSUMKALUM INDIAN BAND

SCHEDULE OF FEDERAL GOVERNMENT FUNDING

FOR THE YEAR ENDED MARCH 31, 2011

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
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**CMHC**

Non-Profit On-Reserve Housing	69,832			69,832	69,832	
<b>Total CMHC</b>	<b>69,832</b>			<b>69,832</b>	<b>69,832</b>	

**OTHER**

Canadian Environment Assessment Agency Prince Rupert Port Project	36,880			36,880	36,880	
Natural Resources Canada Rescan		3,196		3,196	3,196	
Fisheries and Oceans Canada (DFO) Fish Wheel/Catch Monitoring/Fisheries Management	140,136			140,136	140,136	
Pacific Salmon Commission Chinook Creel Census	94,330			94,330	74,326	20,004
<b>Total Other</b>	<b>271,346</b>	<b>3,196</b>		<b>274,542</b>	<b>254,538</b>	<b>20,004</b>

<b>TOTAL</b>	<b>\$ 3,377,285</b>	<b>\$ 52,951</b>	<b>\$ (79,344)</b>	<b>\$ 3,350,892</b>	<b>\$ 3,245,218</b>	<b>\$ 105,674</b>
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