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## Auditors' Comments on Supplementary Financial Information

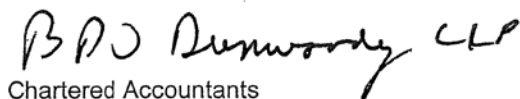
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**To the Chief and Council  
Naotkamegwaning First Nation**

We have audited, in accordance with Canadian generally accepted auditing standards, the consolidated financial statements of the Naotkamegwaning First Nation. The audited consolidated financial statements of the organization as at March 31, 2004 and our report thereon dated July 31, 2004, are presented in the preceding section of this annual report.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements for Naotkamegwaning First Nation taken as a whole. The financial information presented hereinafter was derived from the accounting records and is presented for purposes of additional analysis in accordance with the Indian and Northern Affairs Canada Year End Reporting Handbook (November 2003 release) and is not a required part of the basic financial statements. Such information tested by us as part of the auditing procedures followed in our examination of the financial statements, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

This information is intended solely for the information of Council, management, and others who have previously received the consolidated financial statements of Naotkamegwaning First Nation as at, and for the year ended March 31, 2004, and our qualified opinion thereon, for use in evaluating those consolidated financial statements and should not be used for any other purpose.

  
Chartered Accountants

Kenora, Ontario  
July 31, 2004

**Naotkamegwaning First Nation**  
Schedule of Federal Government Funding

For the year ended March 31, 2004

Federally Funded Programs and Services Directly Funded by the Government of Canada	Federal Funding Received	Unexpended Funding Start of Year	Adjustments	Total Funding Available	Funding Expended	Unexpended Funding End of Year
<b>INAC</b>						
Elementary/Secondary Education	\$ 2,515,950	\$ 51,499	\$ -	\$ 2,567,449	\$ 2,565,211	\$ 2,238
Post Secondary Education	566,900	22,091	-	588,991	566,900	22,091
Economic Development	23,000	-	-	23,000	23,000	-
Indian Government Support	558,044	119,205	-	677,249	537,020	140,229
Community Infrastructure	1,340,350	103,100	-	1,443,450	1,017,887	425,563
Social Assistance	119,680	-	-	119,680	119,680	-
Social Support Services	359,700	76,670	-	436,370	359,700	76,670
<b>Health Canada</b>						
Community Health Services	981,350	281	-	981,631	951,739	29,892
Non-Insured Health Benefits	205,413	-	-	205,413	205,413	-
<b>CMHC</b>						
Non-Profit On-Reserve Housing	156,305	-	-	156,305	156,305	-
<b>Justice</b>						
	31,686	-	-	31,686	31,686	-
<b>Total</b>	<b>\$ 6,858,378</b>	<b>\$ 372,846</b>	<b>\$ -</b>	<b>\$ 7,231,224</b>	<b>\$ 6,534,541</b>	<b>\$ 696,683</b>