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Derivative Report by the Auditor

To the Members
Batchewana First Nation of Ojibways

We have audited the consolidated financial statements of the Batchewana First Nation of Ojibways as at March 31, 2002 and the consolidated statements of operations and changes in financial position for the year then ended and reported on under date of June 14, 2002.

Pursuant to the requirements of the Department of Indian Affairs Year-end Reporting Handbook dated March, 2002, the Schedules of Federal Government Funding and of Salaries, Honoraria, Travel Expenses and Other Remuneration have been compiled by the management of the Batchewana First Nation of Ojibways from their records. For the purposes of understanding our involvement with these schedules, 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 schedules are presented for the purposes of additional information to the Members and the Department of Indian Affairs and do not form part of the consolidated financial statements; and
- . These schedules have 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 these schedules of Federal Government Funding and of Salaries, Honoraria, Travel Expenses and Other Remuneration 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.

Chartered Accountants and Consultants

Sault Ste. Marie, Ontario
June 14, 2002

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**Batchewana First Nation of Ojibways
Schedule of Federal Government Funding**

For the year ended March 31, 2002

	Federal Government Contribution	Deferred Revenue (Expense) Apr 1/01	Other Contributions	Total Contributions	Total Expenditures	Ending Deferred Revenue (Expense)	Excess (Deficiency) Revenue / expenses	Due to (from) Federal Government
Indian Affairs								
Elementary/Secondary Education								
Education - Batchewana Band students	\$ 1,462,200	\$ 1,000	-	\$ 1,463,200	\$ 1,478,324	\$ 2,134	\$ 8,419	\$ (25,677)
- Other programs	322,200	28,906	-	351,106	89,324	24,619	237,163	-
Cultural education	13,700	-	-	13,700	13,700	-	-	-
Other DIA subsidized - Summer careers	10,300	-	-	10,300	10,300	-	-	-
Post-Secondary Education								
Education - Batchewana Band students	1,721,300	-	-	1,721,300	1,608,891	-	112,409	-
- Other programs	-	6,246	89,844	96,090	87,687	9,663	(1,260)	-
Economic Development								
Other DIA Subsidized	50,200	17,627	-	67,827	44,431	23,396	-	-
Economic development officer	-	250,000	-	250,000	-	250,000	-	-
Economic development shares	32,500	-	-	32,500	32,500	-	-	-
O.N.B.P.A.	-	-	-	-	-	-	-	-
Indian Government Support								
BFN government & administration operating budget	507,740	(2,790)	1,420	506,370	426,783	21,228	58,359	-
Other DIA subsidized	-	-	-	-	-	-	-	-
Organizational development	15,000	-	15,000	30,000	(3,000)	33,000	-	-
Lands and Trust Services								
BFN government & administration operating budget	42,200	-	-	42,200	42,200	-	-	-
Other DIA subsidized	-	-	-	-	-	-	-	-
Non-timber forest products negotiations	2,700	-	-	2,700	2,700	-	-	-
Community Infrastructure								
Capital								
Roads	18,000	-	21,980	39,980	34,622	5,358	-	-
Goulais building	78,600	-	-	78,600	-	78,600	-	-
Municipal improvements	-	25,070	-	25,070	1,479	23,591	-	-
Equipment acquisition	8,000	-	7,500	15,500	15,000	500	-	-
Discretionary building - arena	-	(137,929)	-	(137,929)	(137,929)	-	-	-
Electrification	-	3,000	-	3,000	3,000	-	-	-
Water/sewage facilities survey	-	6,260	-	6,260	-	6,260	-	-

Recreation	-	2,253	-	2,253	-	2,253	-	2,253	-
Discretionary	83,500	-	-	83,500	78,008	5,492	-	5,492	-
Day care project	69,500	-	-	69,500	52,630	16,870	-	16,870	-
Elders complex	-	-	-	-	(5,000)	5,000	-	5,000	-
Community Services	-	-	-	-	-	-	-	-	-
Road maintenance	67,200	-	14,838	82,038	73,492	8,546	-	8,546	-
Water & sanitation	25,900	-	-	25,900	34,242	(8,342)	-	(8,342)	-
Fire protection	73,600	14,300	-	87,900	62,256	25,644	-	25,644	-
Community buildings - administration	23,800	-	2,400	26,200	46,441	(20,241)	-	(20,241)	-
- arena	4,500	-	-	4,500	4,662	(162)	-	(162)	-
- Goulais office	6,500	-	60	6,560	5,258	1,302	-	1,302	-
Education	-	-	-	-	-	-	-	-	-
Other programs	66,600	49,503	34,535	150,638	130,130	20,508	-	20,508	-
Housing	-	-	-	-	-	-	-	-	-
Capital	-	75,204	22,491	97,695	29,802	67,893	-	67,893	-
Housing	-	76,439	12,825	89,264	25,701	63,563	-	63,563	-
Housing renovations	100,000	1,180,937	195,400	1,476,337	620,104	856,233	-	856,233	-
New housing project #1	-	-	-	-	-	-	-	-	-
Social Assistance	144,900	-	614,448	759,348	753,965	12,329	-	12,329	(6,946)
Social Support Services	-	-	-	-	-	-	-	-	-
Social assistance	13,500	-	18,358	31,858	22,421	9,437	-	9,437	-
Child day care	45,910	19,100	229,168	294,178	294,178	-	-	-	-
Junior school	18,390	-	79,938	98,328	98,328	-	-	-	-
Other DIA subsidized	-	-	-	-	-	-	-	-	-
Band rep	8,800	-	-	8,800	8,800	-	-	8,800	-
Family crisis shelter	165,000	(2,036)	30,441	193,405	164,333	29,072	-	29,072	-
Health Canada	-	-	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-	-	-
Other subsidized	48,886	-	-	48,886	48,886	-	-	48,886	-
Addiction and community program	-	-	-	-	-	-	-	-	-
Children	-	-	-	-	-	-	-	-	-
Other subsidized	11,961	-	-	11,961	11,961	-	-	11,961	-
Pre-natal	-	-	-	-	-	-	-	-	-
Community Health Services	-	-	-	-	-	-	-	-	-
Other Subsidized	24,036	-	596	24,632	24,036	596	-	24,632	-
Health centre	63,960	-	2,075	66,035	66,035	-	-	66,035	-
Community health worker	44,582	-	-	44,582	44,582	-	-	44,582	-
Mental health	33,728	-	2,000	35,728	35,728	-	-	35,728	-
Health director	35,650	-	-	35,650	35,650	-	-	35,650	-
Medical referral clerk	83,938	-	-	83,938	83,937	1	-	83,937	1
Brighter futures	106,736	-	-	106,736	106,736	-	-	106,736	-
Medical services nurse	-	-	-	-	-	-	-	-	-

Health care community	35,730	2,651	-	38,381	36,894	1,487	-
Medical transportation	66,008	-	1,192	67,200	67,200	-	-
Goulais & Obadijwan travel	24,880	10,996	-	35,876	11,649	24,227	-
Medical van operations	50,918	-	-	50,918	41,640	-	9,278
Over the counter medications	7,000	-	-	7,000	7,000	-	-
Green plan summer student	9,000	-	-	9,000	9,000	-	-
Industry Canada							
Other subsidized							
Fednor forestry worker	15,303	1,312	-	16,615	16,615	-	-
CMHC							
Non-Profit On-Reserve Housing Program							
Rankin Reserve Community Services Incorporated	108,641	-	214,727	323,368	350,560	-	(27,192)
	\$ 5,973,197	\$ 1,628,049	\$ 1,611,236	\$ 9,212,482	\$ 7,247,872	\$ 1,576,679	\$ 411,117
							\$ (23,186)