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Derivative Report by the Auditor

To the Members
Michipicoten First Nation

We have audited the consolidated financial statements of the Michipicoten First Nation as at March 31, 2003 and for the year then ended and reported thereon under date of June 4, 2003.

Pursuant to the requirements of the Department of Indian Affairs Year-End Reporting Handbook dated November 2002, the Schedules of Federal Government Funding and of Salaries, Honoraria, Travel Expenses and Other Remuneration have been compiled by the management of the Michipicoten First Nation 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 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 4, 2003

Michipicoten First Nation
Schedule of Federal Government Funding

For the year ended March 31, 2003

	Federal Funding Received	Unexpended Funding Beginning of Year	Adjustments	Total Federal Funding Available	Total Expenditures from all Sources	Unexpended Funding End of Year
INAC						
Elementary/secondary education	\$ 283,500	\$ -	-	\$ 283,500	\$ 252,067	\$ -
Post-secondary education	419,960	-	-	419,960	350,236	-
Economic development	105,280	-	-	105,280	47,094	67,222
Indian government support	184,880	-	-	184,880	378,837	-
Community infrastructure	96,500	-	-	96,500	183,794	-
Housing	160,050	-	-	160,050	160,456	-
Summer employment	3,800	-	-	3,800	27,544	-
Resource access negotiations	110,000	8,853	-	118,853	50,379	68,474
Other	-	255,658	(255,658)	-	-	-
Health Canada						
Children	1,783	-	15,326	17,109	40,305	-
Community health services	63,181	45,881	(15,326)	93,736	55,171	38,920
Environmental health	-	24,000	-	24,000	23,339	-
Non-insured health benefits	31,911	-	-	31,911	31,906	-
CMHC						
Non-profit on-reserve housing	-	755,697	255,658	1,011,355	859,835	156,280
Total	\$ 1,460,845	\$ 1,090,089	\$ -	\$ 2,550,934	\$ 2,460,963	\$ 330,896