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AUDITOR'S REPORT ON SCHEDULE OF FEDERAL GOVERNMENT FUNDING

To the Minister of Indian and Northern Affairs Canada

At the request of ISLAND LAKE CREE NATION, I have audited the attached schedule of Federal Government Funding that is derived from the complete financial statements of ISLAND LAKE CREE NATION for the year ended March 31, 2006. Pursuant to your requirement, the first nation administration is required to report to you a schedule of any payments made to the first nation on the basis of an appropriation by parliament for which no goods or services are directly received, along with the expenditures made by the first nation for each of the program or service areas where the funds were spent, and unexpended amounts which may be reimbursed to the federal government or are deferred revenues. This financial information is the responsibility of the management of ISLAND LAKE CREE NATION. My responsibility is to express an opinion on this financial information based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial information is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial information. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial information.

In my opinion, this schedule, when read together with the information set out in the introductory paragraph, presents fairly, in all material respects, the Schedule of Federal Government Funding of ISLAND LAKE CREE NATION for the Year-end Reporting Handbook.

This report is used solely to satisfy the requirements of The Minister of Indian and Northern Affairs Canada and should not be referred to or used for any other purpose. Readers are cautioned that this schedule may not be appropriate for their purposes. The schedule does not include funding from other sources for the program or service areas, does not include all programs of the First Nation, does not contain all the disclosures required by Canadian generally accepted accounting principles and does not conform to the recommendations of the Public Sector Accounting Board.

Saskatoon, Saskatchewan
May 29, 2006



Chartered Accountant

ISLAND LAKE CREE NATION
Schedule of Federal Government Funding
Year Ended March 31, 2006

	Federal Funding Received	Unexpended Funds March 31, 2005	Adjustments	Total	Total Expenditures All Sources	Unexpended Funds March 31, 2006
Indian and Northern Affairs Canada						
Education						
School Operations	\$ 1,429,821	-	(28,164)	1,401,657	1,401,657	-
Enhanced Salaries	66,300	-	-	66,300	66,300	-
Daily Transportation	198,061	-	28,164	226,225	234,549	-
Post Secondary	445,800	-	67,428	513,228	513,541	-
Education Support	158,900	-	(5,866)	153,034	153,034	-
Low Cost	160,200	-	(111,227)	48,973	48,973	-
New Pathways	123,350	-	(12,335)	111,015	111,049	-
High Cost	180,865	-	-	180,865	183,564	-
Social Development and Health						
Basic & Other Needs	-	-	-	-	1,732,588	-
Service Delivery	-	-	-	-	51,844	-
Adult Care	55,589	-	-	55,589	131,674	-
Headstart	-	-	-	-	75,520	-
Youth Recreation	-	-	26,450	26,450	66,351	-
National Child Reinvestment	430,099	-	(303,845)	126,254	126,977	-
Community Infrastructure						
Fire/Other Protection	20,951	-	(14,457)	6,494	6,494	-
Roads & Bridges	54,481	-	76,440	130,921	191,410	-
Water & Sanitation	106,352	-	32,318	138,670	138,670	-
Water Operator	62,775	-	(18,425)	44,350	48,930	-
Community Buildings	50,952	-	108,241	159,193	254,626	-
Teacherage	18,468	-	(11,236)	7,232	7,232	-
School	304,143	-	(85,012)	219,131	219,131	-
Band Government						
Band Administration	380,750	-	126,366	507,116	991,502	-
Benefits	91,500	-	-	91,500	146,492	-
Economic Development						
Policy Dev./ Work Experience	40,347	-	71,420	111,767	461,393	-
Lands, Reserves and Trusts						
Membership & Entitlement	8,632	-	14,548	23,180	79,348	-
Other						
Health	12,899	-	-	12,899	12,899	-
Band Funds and Other	-	-	-	-	670,089	-
Capital						
Housing & renovations	346,893	2,647	47,943	397,483	716,553	77,100
Roads	50,000	-	-	50,000	219,814	-
Total	4,798,128	2,647	8,751	4,809,526	9,062,204	77,100
Health Canada						
Community Health	35,906	-	-	35,906	778,606	-
Health Clinic	10,000	18,448	(8,751)	19,697	19,697	-
Total	45,906	18,448	(8,751)	55,603	798,303	-
Canada Mortgage and Housing Corporation						
CMHC rentals	36,055	116,124	-	152,179	41,594	144,487
Grand Total	\$ 4,880,089	137,219	-	5,017,308	9,902,101	221,587