

Amended Auditors' Derivative Report

To the Department of Indian and Northern Affairs Canada

At the request of Taykwa Tagamou Nation and in accordance with the Year-End Reporting Handbook, we have read the attached schedule of salaries, honoraria, travel expenses and other remuneration. This schedule was completed by the management of Taykwa Tagamou Nation for the year ended March 31, 2004 and was read by us on completion of the audit of the financial statements of Taykwa Tagamou Nation for the year ended March 31, 2004.

We have audited the financial statements of Taykwa Tagamou Nation as at March 31, 2004 and for the year then ended, and have reported thereon without reservation to the members of Taykwa Tagamou Nation on July 15, 2004.

During the course of the aforementioned audit, we encountered no transactions or conditions that contradicted the representations provided by the management of Taykwa Tagamou Nation in the attached schedule of salaries, honoraria, travel expenses and other remuneration. It should be noted that no procedures were carried out in addition to those necessary to form an opinion on the financial statements and it is likely that transactions or conditions relevant to some of the representations would not be encountered during the financial statement audit.

The financial statements as at March 31, 2003 and for the year then ended were audited by other auditors whose report, dated July 15, 2003, stated that because of deficiencies in the accounts payable system, related system of internal control and accounting records of the organization's wholly-owned subsidiary government business enterprise, they were unable to satisfy themselves that all revenues and expenses of the subsidiary government business enterprise were recorded and that the recorded transactions were proper. As a result, they were unable to determine whether certain adjustments were required in respect of recorded or unrecorded assets, liabilities and the components making up the related components of the combined statements of revenue and expenditure, changes in fund balances, members' equity and cash flows. In their report, they expressed an opinion with reservation on the balance sheet and on the statements of revenue and expenditure, changes in fund balances and cash flows.

This report is provided solely for the purpose of assisting the Department of Indian and Northern Affairs Canada in discharging its responsibilities and should not be referred to or used for any other purpose.

Grant Thornton LLP

North Bay, Ontario
August 27, 2004

Grant Thornton LLP
Chartered Accountants

TAYKWA TAGAMOU NATION
SCHEDULE OF FEDERAL GOVERNMENT FUNDING

Year Ended March 31, 2004

Federal Government	Federal Funded Programs and Services Directly/Indirectly Funded by the Government of Canada	Federal Funding Received	Unexpended Federal Funding Beginning of Year	Adjustments /Transfers	Total Federal Funding Available	Total Expended from All Sources
		[a]	[b]	[c]	[a+b+c]	
		\$	\$	\$	\$	\$
	Administration	138,021	-	-	138,021	642,342
	Capital	149,400	121,410	(152,408)	118,402	25,368
	Community Operations - Community Buildings	31,300	-	6,158	37,458	59,381
	Community Operations - Fire Protection	5,600	-	-	5,600	4,923
	Community Operations - Roads and Bridges	8,300	-	-	8,300	19,250
	Community Operations - Sanitation Systems	21,740	-	-	21,740	18,193
	Community Operations - Water Systems	38,546	13,144	(6,158)	45,532	45,532
	Community Operations - Electrical Systems	800	-	-	800	404
	Economic Development and Employment - Summer Students	3,500	-	-	3,500	28,474
	Education - Post Secondary	187,900	-	10,000	197,900	288,183
	Education - Secondary/Elementary	243,500	-	-	243,500	262,557
	Education - Education Administration	135,704	-	-	135,704	110,596
	Education - Transportation	44,100	-	(10,000)	34,100	27,305
	Social Housing	-	-	127,358	127,358	290,740
	Special Projects - Youth Trailers	-	-	25,050	25,050	25,050
		1,008,411	134,554	-	1,142,965	1,848,298
			14,163	-	14,163	-
		40,097	-	-	40,097	200,740

INDUSTRY CANADA

Joint Finger Project

CMHC

Social Housing

TAYKWA TAGAMOU NATION
SCHEDULE OF FEDERAL GOVERNMENT FUNDING

Year Ended March 31, 2004

Federal Government	Federal Funded Programs and Services Directly/ Indirectly Funded by the Government of Canada	[a] Federal Funding Received	[b] Unexpended Federal Funding Beginning of Year	[c] Adjustments /Transfers	Total Federal Funding Available	Total Expended from All Sources
		145,689	-	-	145,689	164,805
		28,144	-	-	28,144	36,541
		<u>173,833</u>	<u>-</u>	<u>-</u>	<u>173,833</u>	<u>201,346</u>
TOTAL		\$ 1,222,341	\$ 148,717	\$ -	\$ 1,371,058	\$ 2,340,384

HEALTH CANADA

Health - Health Services
 Health - Medical Transportation