

Holukoff Chiarella

CHARTERED ACCOUNTANTS

ANNEX 3

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DERIVATIVE REPORT FOR THE SCHEDULE OF FEDERAL GOVERNMENT FUNDING

To A. D. Morrison and Associates Ltd.
Third Party Managers of
Pikangikum First Nation

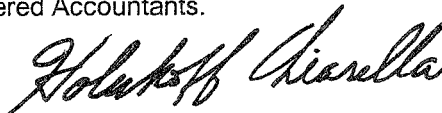
We have audited the financial statements of A. D. Morrison and Associates Ltd. delivery of activities and services on behalf of Pikangikum First Nation as at March 31, 2004, and for the year then ended and reported on June 17, 2004.

A schedule of Federal Government Funding, Annex 4 is required to be presented to the membership of Pikangikum First Nation pursuant to the funding agreement between Indian and Northern Affairs Canada and the third party manager. The schedule has been compiled by the third party manager from their records. For the purposes of understanding our involvement with this schedule, please note that:

- We have audited and separately reported on the financial statements;
- Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole;
- The attached schedule is presented for the purpose of forming an opinion for the Department of Indian Affairs and does not form part of the financial statements; and
- The schedule has been subjected to the auditing procedures applied to the audit of the financial statements taken as a whole.

During the course of the aforementioned audit, we encountered no discrepancies on this schedule. However, no procedures have been carried out on this schedule in addition to those necessary to form an opinion on the 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.



CHARTERED ACCOUNTANTS

WINNIPEG, MANITOBA
JUNE 17, 2004

A. D. MORRISON AND ASSOCIATES LTD.
ON BEHALF OF
PIKANGIKUM FIRST NATION
SCHEDULE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

FEDERAL GOVERNMENT FUNDING

	Federal Funding Received	Unexpended Federal Funding Beginning Of Year	Adjustments Transfers	Total Federal Funding Available	Total Expenditures From All Sources
I.N.A.C.					
Elementary/Secondary \$					
Education-Instructional	3,968,300	144,753		4,113,053	
Low Cost Special Education	203,100	116,500		319,600	
Student Transportation	137,100	128,800		265,900	
Financial Assistance	33,400			33,400	
First Nation Student Summer Employment	26,500	30,600		57,100	
Band Operated Special Education	360,200			360,200	
Guidance and Counselling	32,700			32,700	
Enhanced Teacher Salaries	141,100			141,100	
	<u>4,902,400</u>	<u>420,653</u>	_____	<u>5,323,053</u>	<u>5,323,053</u>
Economic Development					
Planning and Operations	168,400			168,400	
	<u>168,400</u>	_____	_____	<u>168,400</u>	<u>168,400</u>
Government Support					
Band Support Funding	704,594			704,594	
Band Employee Benefits	299,524			299,524	
Indian Registry Management	13,800			13,800	
Development	31,992			31,992	
	<u>1,049,910</u>	_____	_____	<u>1,049,910</u>	<u>1,049,910</u>
Housing					
Special Services	560,900			560,900	
Planning Design and Construction	639,700			639,700	
	<u>1,200,600</u>	_____	_____	<u>1,200,600</u>	<u>1,200,600</u>
Self Government Resource Access Negotiations	90,000			90,000	

A. D. MORRISON AND ASSOCIATES LTD.
ON BEHALF OF
PIKANGIKUM FIRST NATION
SCHEDULE TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004

FEDERAL GOVERNMENT FUNDING-continued

	Federal Funding Received	Unexpended Federal Funding Beginning Of Year	Adjustments Transfers	Total Federal Funding Available	Total Expenditures From All Sources
Social Assistance					
Employment and Training	518,716			518,716	
Service Delivery	62,000			62,000	
Special Needs	21,000			21,000	
Basic Needs	<u>540,000</u>			<u>540,000</u>	
	<u>1,141,716</u>			<u>1,141,716</u>	<u>1,129,166</u>
Community Infrastructure					
Water and Sewer Generator Station Rehabilitation	153,900			153,900	
Plan and Design Education Facility		31,200		31,200	
Fire Protection	97,200			97,200	
Roads and Bridges	12,600			12,600	
Sanitation Systems	116,000			116,000	
Water Systems	192,351			192,351	
Electrical Systems	273,985			273,985	
Community Buildings	367,900			367,900	
Training Fire Protection	130,800			130,800	
Schools O & M	65,800			65,800	
Teachers/Res/Group O & M	676,700			676,700	
	<u>338,500</u>			<u>338,500</u>	
	<u>2,425,736</u>	<u>31,200</u>		<u>2,456,936</u>	<u>2,271,836</u>
Social Support Services					
National Child Benefit	292,371	308,566		600,937	
In Home Care	8,500			8,500	
	<u>300,871</u>	<u>308,566</u>		<u>609,437</u>	<u>317,068</u>
Other					
Registry Events	800			800	
Welfare Reform		80,400		80,400	
	<u>800</u>	<u>80,400</u>		<u>81,200</u>	<u>800</u>
	<u>\$11,280,433</u>	<u>840,819</u>		<u>12,121,252</u>	<u>11,460,833</u>