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## AUDITOR'S COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION


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To the Chief and Council of  
Pikangikum First Nation

I have audited, in accordance with Canadian generally accepted auditing standards, the financial statements of the First Nation. The audited financial statements of the First Nation as at March 31, 2006 and my report thereon dated November 23, 2006, are presented in the preceding section of this annual report.

My audit was conducted for the purpose of forming an opinion on the financial statements for Pikangikum First Nation taken as a whole. The financial information presented thereafter was derived from the accounting records and is presented for purposes of additional analysis in accordance with the Indian and Northern Affairs Canada Year End Reporting Handbook and is not a required part of the basic financial statements. In my opinion such information tested by me as part of the auditing procedures followed in my examination of the financial statements, is fairly presented in all material respects in relation to the financial statements taken as a whole.

Kenora, Ontario  
November 23, 2006

  
Chartered Accountant

PIKANGIKUM FIRST NATION

SCHEDULE OF FEDERAL GOVERNMENT FUNDING  
YEAR ENDED MARCH 31, 2006

Federally funded Programs and Services Directly Funded by the Government of Canada	Federal Funding Received	Unexpended Funding Beginning of Year	Adjustments	Total Funding Available	Total Expenditure from All Sources	Unexpended Funding End of Year (Option 2)
<u>INAC</u>						
- Elementary Education	\$ 5,627,100			\$ 5,627,100	\$ 5,265,252	\$ 361,848
- Economic Development	309,400			309,400	342,600	(33,200)
- Indian Government	1,054,223	80,400		1,134,623	1,946,723	(812,100)
- Community Infrastructure	4,218,486	1,750,417		5,968,903	4,824,048	1,144,855
- Housing	1,890,704			1,890,704	1,444,486	446,218
- Income Assistance	665,900		(42,796)	623,104	3,477,489	(2,854,385)
- Social Support Services	709,966			709,966	437,739	272,227
- Social Assistance and Employment Training	552,387			552,387	154,662	397,725
- Other - Student Programs						
<u>Health Canada</u>						
- Brighter Futures	351,264			351,264	183,464	167,800
- Community Health Services	737,719			737,719	680,597	57,122
- Health Services	375,440			375,440	420,914	(45,474)
- National Native Alcohol & Drug Awareness	32,822			32,822	36,761	(3,939)
- Non-insured Health Benefits	136,014			136,014	139,647	(3,633)
<u>CMHC</u>						
- RRAP Conversions	26,875			26,875	28,353	(1,478)
<u>HRDC</u>						
<u>Fisheries and Oceans</u>						
<u>Canadian Heritage</u>						
<u>Solicitor General</u>						
<u>Industry Canada</u>	598,972			598,972	598,972	
<u>Natural Resources</u>	14,000			14,000	14,000	
<u>Justice</u>						
<u>Privy Council Office</u>						
<u>National Defence</u>						
<b>Total</b>	<b>\$ 17,301,272</b>	<b>\$ 1,830,817</b>	<b>\$ (42,796)</b>	<b>\$ 19,089,293</b>	<b>\$ 19,995,707</b>	<b>\$ (906,414)</b>