

**DERIVATIVE REPORT ON  
FEDERAL GOVERNMENT FUNDING**



MEYERS NORRIS PENNY LLP

To the Membership of  
Ochapowace First Nation and  
Indian and Northern Affairs Canada:

We have audited the non-consolidated financial statements of New Horizons First Nations Administration Inc. – Ochapowace First Nation as at March 31, 2004, and for the year then ended, and issued our auditors' report thereon dated April 20, 2004.

A Schedule of Federal Government Funding is required to be presented to the members of Ochapowace First Nation and Indian and Northern Affairs Canada (INAC) pursuant to the funding agreement between INAC and New Horizons First Nations Administration Inc. – Ochapowace First Nation. The Schedule is the responsibility of management of New Horizons First Nations Administration Inc. – Ochapowace First Nation and has been compiled by management from their records.

For the purposes of understanding our involvement with this Schedule, please note that:

- We have audited and separately reported on the non-consolidated financial statements;
- Our audit was conducted for the purposes of forming an opinion on the non-consolidated financial statements taken as a whole;
- The attached Schedule is presented for the members and Indian and Northern Affairs Canada and does not form part of the non-consolidated financial statements; and,
- No procedures have been, or are being carried out on this Schedule in addition to those necessary to form an opinion on the non-consolidated financial statements.

During the course of the aforementioned audit, we encountered no discrepancies on this Schedule except for the following:

- Income from other sources has not been reported in this Schedule and therefore the surplus (deficit) indicated does not represent the actual surplus (deficit) of the Organization;
- Expenditures were accounted for using the "Funding Expended" option as defined in the Year End Reporting Handbook Supplement and do not include all expenditures in the corresponding reporting area;
- The balances recorded in "Unexpended Funding Beginning of Year" were determined based on management's best judgement and may not approximate the actual surplus (deficit) for the Organization; and
- As a result of the above comments "Unexpended Funding End of Year" will not approximate the surplus (deficit) for the Organization.

This report has been prepared in accordance with the applicable Assurance and Related Services Guideline issued by the Canadian Institute of Chartered Accountants in order to satisfy Indian and Northern Affairs Canada funding agreement requirements, and should not be used for any other purpose.

Saskatoon, Canada  
April 20, 2004

*Meyers Norris Penny LLP*  
Chartered Accountants

**NEW HORIZONS FIRST NATIONS ADMINISTRATION INC. - OCHAPOWACE FIRST NATION  
SCHEDULE OF FEDERAL GOVERNMENT FUNDING  
YEAR ENDED MARCH 31, 2004**

"Unaudited"

<u>Federally Funded Programs and Services Directly Funded by the Government of Canada</u>	<u>Federal Funding Received</u>	<u>Unexpended Funding Beginning of Year</u>	<u>Adjustments</u>	<u>Total Funding Available</u>	<u>Funding Expended</u>	<u>Unexpended Funding End of Year</u>
<b><i>INAC funding</i></b>						
Elementary/Secondary Education	\$1,412,835	71,667	(87,569)	1,396,933	1,396,933	-
Post Secondary Education	533,800	-	-	533,800	533,800	-
Economic Development	61,500	-	-	61,500	61,500	-
Indian Government Support	534,805	-	(33,470)	501,335	495,628	5,707
Community Infrastructure	596,875	-	-	596,875	596,875	-
Housing	283,847	-	-	283,847	283,847	-
Lands and Trust Services	32,342	-	-	32,342	32,342	-
Social Assistance	753,574	9,881	-	763,455	763,455	-
Social Support Services	216,977	1,663	-	218,640	218,640	-
	<b>4,426,555</b>	<b>83,211</b>	<b>(121,039)</b>	<b>4,388,727</b>	<b>4,383,020</b>	<b>5,707</b>

See Derivative Report.