

## Independent Auditor's Report

To the Chief Audit and Evaluation Executive of Aboriginal Affairs and Northern Development Canada ("AANDC")

We were engaged to audit the statement of expenditures incurred by the Attawapiskat First Nation for the period from April 1, 2005 to November 30, 2011 (the "Statement").

### *Management's Responsibility for the Statement*

Management of Attawapiskat First Nation is responsible for the preparation and fair presentation of this Statement in accordance with the financial terms and conditions of multiple arrangements including: comprehensive funding arrangement number 2005/2006 - 013 signed March 3, 2005; comprehensive funding arrangement number 2006/2007-04-041000-0000000143-0001 signed March 11, 2006; comprehensive funding arrangement number 0708-04-000008 signed March 9, 2007; comprehensive funding arrangement number 0809-04-000007 signed March 10, 2008; comprehensive funding arrangement number 0910-04-00005 signed March 5, 2009; single capital contribution arrangement for housing number 0910-04-000205 signed January 27, 2010; comprehensive funding arrangement number 1011-04-000006 signed March 9, 2010; single capital contribution agreement for housing number 1011-04-000096 signed November 23, 2010; funding agreement number 1112-04-000103 signed March 14, 2011; and all related amendments and notices (the "Funding Arrangements"), and for such internal control as management determines is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the Statement based on conducting the audit in accordance with Canadian generally accepted auditing standards. However, because of the matters described in the Basis for Disclaimer of Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### *Basis of Disclaimer of Opinion*

Management was unable to provide appropriate supporting documentation for the majority of the transactions selected for audit. We were unable to satisfy ourselves by alternative means concerning the expenditures reported by Attawapiskat First Nation in the Statement. As a result of these matters, we were unable to determine whether any adjustments might have been found necessary in respect of the expenditures making up the Statement.

## **Independent Auditor's Report (Continued)**

### *Disclaimer of Opinion*

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the Statement.

### *Basis of Accounting and Restriction on Distribution*

Without modifying our disclaimer of opinion, we draw your attention to the fact that the Statement is prepared to assist Attawapiskat First Nation to comply with the reporting requirements of the Funding Arrangements. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for Attawapiskat First Nation and the Department of Aboriginal Affairs and Northern Development Canada and should not be distributed to parties other than Attawapiskat First Nation and the Department of Aboriginal Affairs and Northern Development Canada.

*Deloitte & Touche LLP*

Chartered Accountants  
Licensed Public Accountants

September 20, 2012