



Heartland

Chartered Accountants Inc.

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February 28, 2013

Sandy Lake First Nation
P. O. Box 12
Sandy Lake, Ontario
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To: The Members of the Sandy Lake First Nation

We are writing to the members of the First Nation to summarize our findings and conclusions in regard to the audited Consolidated Financial Statements for the year ended March 31, 2012.

Our opinion on the Consolidated Financial Statements for the Sandy Lake First Nation was as follows: "these financial statements present fairly, in all material respects, the financial position of the Sandy Lake First Nation as at March 31, 2012, and the results of its operations and changes in cash flow for the year then ended in accordance with Canadian generally accepted accounting principles for local government entities as defined in the CICA Public Sector Accounting and Auditing Handbook."

Basically this means that the records were well maintained and acceptable to the external auditors. We have a great deal of experience with First Nation's administration and auditing and can say that the accounting records are among the best we have examined.

The financial situation of the First Nation has improved steadily over the previous 7 years pursuant to the community dedication to following its approved RMP (Remedial Action Plan). In a remarkable financial success story the audited financial position of the community has eliminated an Operating Deficit at March 31, 2006 of \$(4,135,002) and has increased the tangible capital assets by \$10,151,926 from March 31, 2008 to March 31, 2012. Both increases indicated a dedicated and strong desire to provide sound financial management of the First Nation's resources.

In conclusion we have found the First Nation to be well managed and run on a sound financial basis.

Yours truly,

Heartland Chartered Accountants Inc.

Per:

W. J. Hemenway, C. A.

Over 30 Years of Professional Service

