

FORM 1 – INDEPENDENT AUDITOR’S REPORT FOR STATEMENTS A, D AND E

To: The Mutual Fund Dealers Association of Canada and MFDA Investor Protection Corporation

We have audited the accompanying Statements of _____ which comprise
(Member)
the statement of financial position as at _____ (Statement A) and the statement of income
(date)
and comprehensive income (Statement D) and statement of changes in capital and retained earnings(Statement E)
for the year then ended _____ and a summary of significant accounting policies and other
(date)
explanatory information. These Statements have been prepared by management based on the financial reporting
provisions of the Notes and Instructions to Form 1 prescribed by the Mutual Fund Dealers Association of Canada.

Management’s responsibility for the Statements

Management is responsible for the preparation and fair presentation of these Statements in accordance with the financial reporting provisions of the Notes and Instructions to Form 1 prescribed by the Mutual Fund Dealers Association of Canada and for such internal control as management determines is necessary to enable the preparation of Statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express an opinion on these Statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Member’s preparation and fair presentation of the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Member’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Statements present fairly, in all material respects, the financial position of
_____ as at _____ and the results of its operations for the year
(Member) (date)
then ended in accordance with the financial reporting provisions of the Notes and Instructions to Form 1
prescribed by the Mutual Fund Dealers Association of Canada.

Going Concern [Note: EFS to allow for auditor to include emphasis of matter paragraph for Going Concern – this is an option for auditors but not part of the standard report]

Without modifying our opinion, we draw attention to Note _____ in the Statements which indicates that
(note)

_____ incurred a net loss of _____ during the year ended
(Member) (\$ amount)
_____ and, as of that date, _____ 's current liabilities
(date) (Member's)
exceeded its total assets by _____. These conditions, along with other matters as set forth in
(\$ amount)
in Note _____ indicate the existence of a material uncertainty that may cast significant doubt about
(note)
_____ 's ability to continue as a going concern.
(Member's)

Basis of Accounting and Restriction on Use

Without modifying our opinion, we draw attention to Note _____ to the Statements which describe the
(note)
basis of accounting. The Statements are prepared to assist _____ to meet the
(Member)
requirements of the Mutual Fund Dealers Association of Canada. As a result, the Statements may not be suitable
for another purpose. Our report is intended solely for _____, the Mutual
(Member)
Fund Dealers Association of Canada and the MFDA Investor Protection Corporation and should not be used by
parties other than _____, the Mutual Fund Dealers Association of Canada and
(Member)
the MFDA Investor Protection Corporation.

(Note: EFS to allow for auditor to include other potential Emphasis of Matter and Other Matter paragraphs should one be required under the CASs or determined appropriate by the auditor to be included in the auditor's report. Such wording would be agreed upon with MFDA prior to the filing of Form 1).

Unaudited Information

We have not audited the information in Schedule 5 of Part II of Form 1 and accordingly do not express an opinion on this schedule.

[Audit Firm]

[Signature]

[Date]

[Address]