

May 10, 2022

The Corporation of Haldimand County
Haldimand County Administration Building
53 Thorburn Street South
Cayuga Ontario N0A 1E0

Attention: Mr. Craig Manley, Chief Administrative Officer

Dear Mr. Manley

This letter has been prepared to assist you with your review of the consolidated financial statements of The Corporation of Haldimand County for the year ending December 31, 2020. We look forward to meeting with you and discussing the matters outlined below.

Significant Risks

The following is a list of the significant risks that we identified during the engagement as well as our audit responses:

#	Description of each significant risk	Audit response
1	Revenue recognition – Presume a risk of material misstatement due to fraud related to revenue recognition and evaluate which types of revenue, revenue transactions or assertions give rise to such risks.	<p>We performed a walkthrough of management's process for recognising revenue and performed the design and implementation of controls on the revenue recognition system.</p> <p>We also performed test of details on revenue specially surrounding the year end period to ensure that correct cut-off is considered on their recognition. Further, for completeness of donation income, we tested in detail the donation income to underlying records and bank.</p>

Significant Risks *(continued)*

2	Management override of controls: Presumed risk of material misstatement due to fraud related to management override of controls.	<p>We discussed fraud with management and asked for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the Corporation and their role in the oversight of management's antifraud programs.</p> <ul style="list-style-type: none"> •We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period. •We evaluated the business rationale for any significant unusual transactions. •We determined whether the judgments and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.
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Significant Matters Arising***Changes to Audit Plan***

There were no changes to the audit plan.

Other Matters

We have not identified any other significant matters that we wish to bring to your attention at this time.

Significant Difficulties Encountered

There were no significant difficulties encountered during our audit other than the following:

- a) The ongoing impact of the coronavirus disease ("COVID-19") as a pandemic is being considered throughout the audit, however no changes in our audit plan have been made in this respect. This also required us to perform audit remotely, however this did not impact overall result of our audit.

Comments on Accounting Practices***Accounting Policies***

The significant accounting policies used by the entity are outlined in Note X to the consolidated financial statements.

- a. There were no significant changes in accounting policies.
- b. We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- c. We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the consolidated financial statements:

- a. Allowance for doubtful accounts;
- b. Value of inventory;
- c. Accrued liabilities;
- d. Allowance for assessment adjustments

Comments on Accounting Practices - *Significant Accounting Estimates* (continued)

e. Deferred revenue;

f. Book value of capital assets

Based on audit work performed, we are satisfied with the estimates made by management.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Uncorrected Misstatements

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements for the current period have been corrected.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the consolidated financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of TCWG.

To identify and assess the risks of material misstatement in the consolidated financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies.

Written Representations

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the consolidated financial statements in accordance with Canadian generally accepted accounting principles.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

Materiality

We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement. Materiality levels are determined on the basis of total revenues. Our materiality for the year ended December 31, 2020 was \$2,000,000.

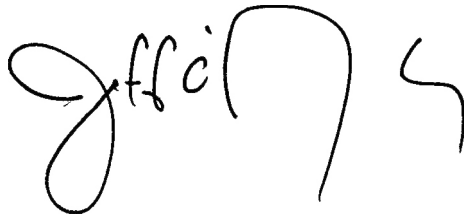
Going concern

Management has completed its assessment of the organisation's ability to continue as a going concern and, in making its assessment, did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the organisation's ability to continue as a going concern. We agree with management's assessment.

This letter was prepared for the sole use of TCWG of The Corporation of Haldimand County to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

Millard, Rouse & Rosebrugh LLP
Chartered Professional Accountants

A handwritten signature in black ink, appearing to read 'Jeff O'Donnell', with a stylized flourish at the end.

Jeff O'Donnell, CPA, CA



May 10, 2022

The Corporation of Haldimand County
Haldimand County Administration Building
53 Thorburn Street South
Cayuga Ontario N0A 1E0

Attention: Mr. Mark Merritt, General Manager of Financial and Data Services, Chief Financial Officer, Deputy Treasurer

Dear Mr. Merritt:

This letter has been prepared to assist you with your review of the financial statements of The Corporation of Haldimand County for the year ending December 31, 2020. We look forward to meeting with you and discussing the matters outlined below.

Audit Status

We have completed the audit of the financial statements, with the exception of the following items:

1. Receipt of a signed representation letter by management;
2. Completing our discussions with the *[Board of Directors - Audit Committee]*;
3. Obtaining evidence of the Board's approval of the financial statements;

Once these items have been completed, we will date and sign our auditor's report.

Significant Risks

The following is a list of the significant risks that we identified during the engagement as well as our audit responses:

Millard, Rouse & Rosebrugh LLP

85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606

SIMCOE PORT DOVER BRANTFORD HAGERSVILLE TILLSONBURG NORWICH DELHI

Significant Risks (continued)

#	Description of each significant risk	Audit response
1	Revenue recognition – Presume a risk of material misstatement due to fraud related to revenue recognition and evaluate which types of revenue, revenue transactions or assertions give rise to such risks.	<p>We performed a walkthrough of management's process for recognizing revenue. and performed the design and implementation of controls on the revenue recognition system.</p> <p>We also performed test of details on revenue specially surrounding the year end period to ensure that correct cut-off is considered on their recognition.</p> <p>Further, for completeness of donation income, we tested in detail the donation income to underlying records and bank.</p>
2	Management override of controls: Presumed risk of material misstatement due to fraud related to management override of controls.	<p>We discussed fraud with management and asked for their views about the risk of fraud, whether they know of any actual or suspected fraud affecting the Company and their role in the oversight of management's antifraud programs.</p> <p>We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period.</p> <p>We evaluated the business rationale for any significant unusual transactions.</p> <p>We determined whether the judgments and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.</p>

Significant Matters Arising**Other Matters**

We have not identified any other significant matters that we wish to bring to your attention at this time.

Comments on Accounting Practices**Accounting Policies**

The significant accounting policies used by the entity are outlined in Note 2 to the financial statements.

- There were no significant changes in accounting policies.
- We did not identify any alternative accounting policies that would have been more appropriate in the circumstances.
- We did not identify any significant accounting policies in controversial or emerging areas.

Significant Accounting Estimates

The following significant estimates/judgments are contained in the financial statements:

- Accrued liabilities;
- Deferred revenue;

Comments on Accounting Practices - *Significant Accounting Estimates* (continued)

3. Book value of capital assets; and

Based on audit work performed, we are satisfied with the estimates made by management.

Significant Financial Statement Disclosures

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

Uncorrected Misstatements

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements. All uncorrected misstatements for the current period have been corrected.

There are no uncorrected misstatements from prior year financial statements.

Significant Deficiencies in Internal Control

A deficiency in internal control exists when a risk is not treated by a control or when a control is designed, implemented or operated in such a way that it is unable to prevent, or detect and correct, misstatements in the financial statements on a timely basis, or when a control necessary to prevent, or detect and correct, misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of TCWG.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control, or any other control deficiencies, will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies,

Written Representations

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian generally accepted accounting principles.

Other Audit Matters of Governance Interest

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit.

We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

Materiality

Our materiality for the year ending December 31, 2020 at the end of audit was confirmed as \$5,200.

Going concern

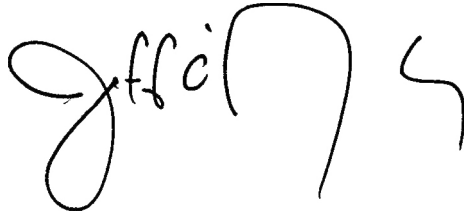
Management has completed its assessment of the entity's ability to continue as a going concern and, in making its assessment, did not identify any material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. We agree with management's assessment

Independence

We have developed appropriate safeguards and procedures to eliminate threats to our independence or to reduce them to an acceptable level. We confirm that we have complied with relevant ethical requirements regarding independence.

This letter was prepared for the sole use of TCWG of The Corporation of Haldimand County to carry out and discharge their responsibilities. The content should not be disclosed to any third party without our prior written consent, and we assume no responsibility to any other person.

Yours truly,

A handwritten signature in black ink, appearing to read "Jeff O'Donnell", followed by a stylized flourish.

Jeff O'Donnell, CPA, CA
Partner