



August 29, 2023

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

Attention: Cathy Case, Acting Chief Administrative Officer

Dear Cathy:

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, 2022. We look forward to meeting with you and discussing the matters outlined below.

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.

Comments on Accounting Practices

Accounting Policies

The significant accounting policies used by the entity are outlined in Note 2 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 other than the following ...
 - Financial Statement Presentation, Section PS 1201 - effective when sections PS 2601 and PS 3450 are adopted.
 - Foreign Currency Translation, Section PS 2601 - effective for fiscal years beginning on or after April 1, 2022
 - Portfolio Investments, Section PS 3041 - effective when sections PS 1201, PS 2601 and PS 3450 are adopted.
 - Financial Instruments, Section PS 3450 - effective for fiscal years beginning on or after April 1, 2022
 - Asset Retirement Obligations, Section PS 3280 - effective for fiscal years beginning on or after April 1, 2022

Significant Accounting Estimates

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

Millard, Rouse & Rosebrugh LLP

85 Robinson Street, Simcoe, ON N3Y 1W7 T: 519.426.1606
 SIMCOE PORT DOVER BRANTFORD HAGERSVILLE

Comments on Accounting Practices *(continued)*

Significant Accounting Estimates *(continued)*

- a. Allowance for doubtful accounts;
- b. Value of inventory;
- c. Accrued liabilities;
- d. Deferred revenue;
- e. Book value of capital assets; and
- f. Employee benefits liability
- g. Solid waste landfill closure and post-closure liability

Certain accounting estimates are particularly sensitive because they involve a significant degree of judgment and may have a range of possible outcomes. Significant accounting estimates exist for the County in the determination of the employment benefits liability. Four areas of employment benefits where estimates are involved are worker's compensation (WSIB), post employment benefits (i.e. health, dental and life insurance), vested sick leave and unvested sick leave. A comprehensive actuarial evaluation for the employee benefits liability was conducted as at December 31, 2019. This report included projections for the years 2020 to 2022. Based on audit work performed and discussions with management, we are satisfied with the projections used for 2022.

The solid waste landfill closure and post-closure liability, that relates to the shared Tom Howe landfill site and Canborough landfill site, is a significant estimate. Haldimand County hired an actuary in 2009 to perform an actuarial evaluation of the landfill closure and post-closure costs. Since then, a Haldimand County employee performs periodic evaluations and estimates the landfill closure and post-closure costs based on the 2009 actuarial evaluation. In 2019 Haldimand County hired a consultant to provide third-party support for the estimates of the landfill closure and post-closure costs. The results of this investigation have been reflected in the financial statements. We recommend that estimates are re-evaluated on an annual basis to ensure assumptions being made are still consistent each year and that a consultant be involved at certain intervals.

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.

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.

Significant Risks

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

Significant Risks *(continued)*

Revenue recognition: Under Canadian General Accepted Auditing Standards we are required to evaluate the risk of fraud in revenue recognition. We have evaluated the design and implementation of controls along with substantive procedures on revenue addressing the risk. We concluded that the internal controls were designed and implemented appropriately. We have obtained sufficient audit evidence to conclude that there were no material misstatements for presumed fraud risk of revenue.

We have obtained sufficient audit evidence to conclude that there were no material misstatements for presumed fraud risk of revenue.

Management override of controls: Under Canadian General Accepted Auditing Standards we are also required to evaluate the presumed risk of material misstatement due to fraud related to management override of controls. We did fraud-related inquiries, performed tests of journal entries to identify any significant unusual transactions, and evaluated business rationale for related party transactions, significant judgments and management estimates to identify any possible bias.

We have obtained sufficient audit evidence to conclude that there were no material misstatements based on our audit tests for management override of controls.

Materiality

Our materiality for the year ending December 31, 2022 at the end of audit was confirmed as \$2,750,000.

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.

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 public sector accounting standards.

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.

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 blue ink, appearing to read 'M. McNally', with a long horizontal flourish extending to the right.

Matt McNally, CPA, CA
Partner



August 29, 2023
Confidential

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

Attention: Cathy Case, Acting Chief Administrative Officer

Dear Cathy:

This letter has been prepared to assist you with your review of the financial statements of the Trust Funds of The Corporation of Haldimand County for the year ending December 31, 2022. We look forward to meeting with you and discussing the matters outlined below.

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.

Comments on Accounting Practices

Accounting Policies

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

Accrued liabilities;

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

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Comments on Accounting Practices *(continued)***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

#	Nature of uncorrected misstatement	Effect on the financial statements	Management's reason for not correcting
1	Unrecorded cash transactions and petty cash difference in Comfort Trust	Overstatement of Comfort Trust - Cash and understatement of Due from Haldimand County	Management is aware of the issue and has steps and processes in place to resolve issue in fiscal 2023.

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,

Significant Risks

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

Revenue recognition: Under Canadian General Accepted Auditing Standards we are required to evaluate the risk of fraud in revenue recognition. We have evaluated the design and implementation of controls along with substantive procedures on revenue addressing the risk. We concluded that the internal controls were designed and implemented appropriately. We have obtained sufficient audit evidence to conclude that there were no material misstatements for presumed fraud risk of revenue.

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Management override of controls: Under Canadian General Accepted Auditing Standards we are also required to evaluate the presumed risk of material misstatement due to fraud related to management override of controls. We did fraud-related inquiries, performed tests of journal entries to identify any significant unusual transactions, and evaluated business rationale for related party transactions, significant judgments and management estimates to identify any possible bias.

We have obtained sufficient audit evidence to conclude that there were no material misstatements based on our audit tests for management override of controls.

Materiality

Our materiality for the year ending December 31, 2022 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.

Written Representations

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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.

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



Matt McNally, CPA, CA