

April 19, 2023

Haldimand-Norfolk Housing Corporation
2-25 Kent Street North
Simcoe Ontario N3Y 3S1

Attention: Jeff Miller, President

Dear Jeff

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

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:

1. *Allowance for doubtful accounts;*
2. *Accrued liabilities;*
3. *Deferred revenue and*
4. *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.

Millard, Rouse & Rosebrugh LLP

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

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,

Significant Risks

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.

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 judgements 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.

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.

Materiality

Our materiality for the year ending December 31, 2022 at the end of audit was confirmed as \$76,000.

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.

This letter was prepared for the sole use of TCWG of Haldimand-Norfolk Housing Corporation 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.

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.

Yours truly,

Chartered Professional Accountants

A handwritten signature in black ink, appearing to read "Bl Schell". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Blaine G. Schell, CPA, CA