March 31, 2017

Board of Directors
**JOHN HOWARD SOCIETY OF WATERLOO-WELLINGTON**
310 Charles Street East
Kitchener, ON
N2G 2P9

Dear Board of Directors:

Regarding the engaged to audit the financial statements of your entity for the year end as noted above, Canadian generally accepted auditing standards require that we communicate the following information with you in relation to your audit.

## Internal Controls

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken.

**During the course of our audit, no internal control matters were identified that should be brought to your attention.**

## Significant Accounting Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by your entity are described in the notes to the financial statements.

No new accounting policies adopted during the period..

**There were no new accounting policies adopted or changes to the application of accounting policies of your entity during the year, other that as disclosed in the notes to the financial statements.**

## Significant Unusual Transactions

**No significant or unusual transactions were identified that you should be informed about.**

## Accounting Estimates

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

The responsibility of an auditor is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

**During the course of the audit, there were no disagreements with management regarding accounting estimates.**

**Disagreements with Management**

Auditors are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the organization's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit;
- Wording of the Auditor's Report.

**There were no disagreements with management such as those noted above.**

**Consultation with Other Accountants (Second Opinions)**

Management may consult with other accountants about auditing and accounting matters to obtain a "second opinion". When an entity requests that another accountant provide a written report or oral advice on the application of accounting principles to a specific transaction or the type of opinion that may be rendered on the entity's financial statements, we are required to ensure that the accountant has ensured that the reporting accountant has knowledge of all facts and circumstances and has conducted the engagement in accordance with Canadian generally accepted auditing standards on the Reports on the Application of Accounting Principles.

**I am not aware of any consultations that have taken place with other accountants.**

**Issues Discussed**

An auditor generally discusses among other matters, the application of accounting principles, auditing standards, fees, etc., with management during the audit.

**There were no major issues discussed during our audit with regards to my retention that were not in the normal course of business.**

**Difficulties Encountered During the Audit**

Serious difficulties encountered while performing the audit, might include significant delays in management providing information required for the audit or an unnecessarily brief timetable in which to complete the audit.

**No significant difficulties were encountered during our audit that should be brought to your attention.**

I would be pleased to discuss with you any matters noted above at your convenience. This communication is prepared solely for the information of the Board and is not intended for any other purpose. I accept no responsibility to a third party who uses this communication.

Respectfully,

Cardy Winters & Simon LLP

**Cardy Winters & Simon** LLP
**Chartered Professinal Accountants**
**Edward M. Simon CPA, CA Partner**