



KPMG LLP
500 Lethbridge Centre Tower
400-4th Avenue South
Lethbridge AB T1J 4E1
Canada
Tel 403-380-5700
Fax 403-380-5760

Mr. Tim Janzen
Taber and District Housing Foundation
5318 - 48 Ave.
Taber, Alberta
T1G 1S2

March 19, 2020

Dear Sir/Madam:

In planning and performing our audit of the consolidated financial statements of Taber and District Housing Foundation ("the Entity") for the period ended December 31, 2019, we obtained an understanding of internal control over financial reporting (ICFR) relevant to the Entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR. Accordingly, we do not express an opinion on the effectiveness of the Entity's ICFR.

Our consideration of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified. As a result, any matters reported below are limited to those deficiencies in ICFR that we identified during the audit.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

IDENTIFICATION

Refer to the Appendix A for the definitions of various control deficiencies.

OTHER CONTROL DEFICIENCIES

We identified certain control deficiencies that we determined to be other control deficiencies in ICFR that have not been communicated to management by other parties and that, in our professional judgment, are of sufficient importance to merit management's attention, refer to Appendix B.



Taber and District Housing Foundation

October 2, 2019

USE OF LETTER

This letter is for the use of management and those charged with governance in carrying out and discharging their responsibilities and should not be used for any other purpose or anyone other than management and those charged with governance. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this letter has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

Yours very truly,

KPMG LLP

Appendix A

Terminology	Definition
DEFICIENCY IN INTERNAL CONTROL	A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing; or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively.
SIGNIFICANT DEFICIENCY IN INTERNAL CONTROL	A significant deficiency in internal control is 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 those charged with governance.

Appendix B

Other Control Deficiencies

DESCRIPTION	POTENTIAL EFFECT
• Appropriate review and approval of journal entries During the audit it was noted that there is not a formal process of review and approval of manual journal entries.	As a single individual is responsible for reconciling, tracking and recording a significant portion of the financial reporting information it is important strong management controls exist to protect the individual and organization. KPMG recommends that management revisit their process regarding the approval of manual posted accounting entries to ensure that entries are appropriately reviewed and approved by an appropriate individual.
• Cyber security The continued advancement of technology and the integration of automated financial reporting into regular operations and processes has increase the risk of theft or loss due to cyber security breach.	With the increased risk of cyber security breaches as a whole, KPMG recommends that the organization review existing procedures to ensure that cyber security risk are mitigated. We recommend appropriate training be developed emphasizing communication of processes and risks, and that this training be delivered to your staff on an ongoing basis.