May 9, 2016

Dear,

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [CYFS/011/2016]

On April 17, 2016, the Department of Child, Youth and Family Services received your request for access to the following records/information:

All records and information relating to the total annual costs for each of 2013, 2014, and 2015 with respect to Pine Heights Group Home including, without limitation, such matters as: deficit funding, operating expenses, repairs and maintenance, capital expenses, utilities and related expenses, all staffing and payroll expenses including benefits and pension liabilities, staff training and travel expenses, general and administrative expenses, and itemized list of all closing costs / cost associated with winding up.

I am pleased to inform you that a decision has been made by the Deputy Minister for the Department of Child, Youth and Family Services to provide access to some of the requested information. Please note that the department does not have financial statements for 2015.

As outlined in Section 8(2) of the Access to Information and Protection of Privacy Act (ATIPP Act), we have severed information that is unable to be disclosed and have provided you with as much information as possible. Specifically, access to information contained within the records has been refused in accordance with the following exceptions to disclosure, as specified in the ATIPP Act:

ATIPP Act Section 40: Disclosure Harmful to Personal Privacy:

(1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party’s personal privacy.

Information on pages 11, 12, 24, 26, 28, 29, 33, and 34 is withheld in accordance with the above-noted section of the ATIPP Act.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.
The appeal may be addressed to the Information and Privacy Commissioner as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John's, NL A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact me by telephone at 729-7529 or by e-mail at saradow@gov.nl.ca

Sincerely,

Sara Dow
ATIPP Coordinator
PINE HEIGHTS RESIDENCE ASSOCIATION INC.
FINANCIAL STATEMENTS
AS AT MARCH 31, 2014

Blair J. Jewer
Chartered Accountant
# CONTENTS

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<th>Statement</th>
<th>Page</th>
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</thead>
<tbody>
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<td>INDEPENDENT AUDITOR'S REPORT</td>
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<td>STATEMENT OF FINANCIAL POSITION</td>
<td>2</td>
</tr>
<tr>
<td>STATEMENT OF OPERATIONS AND NET DEBT</td>
<td>3</td>
</tr>
<tr>
<td>STATEMENT OF CASH FLOWS</td>
<td>4</td>
</tr>
<tr>
<td>NOTES</td>
<td>5-6</td>
</tr>
</tbody>
</table>

Blair J. Jewer  
Chartered Accountant
INDEPENDENT AUDITOR'S REPORT

To the Members
Pine Heights Residence Association Inc.

I have audited the accompanying financial statements of Pine Heights Residence Association Inc., which comprise the statement of financial position as at March 31, 2014, and the statement of operations and net debt, and statement of cash flows, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of these financial statements in accordance with Canadian generally accepted accounting standards for not for profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of Pine Heights Residence Association Inc. as at March 31, 2014, and its financial performance and cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not for profit organizations.

DATE TBD
Grand Falls-Windsor, NL

Chartered Accountant
PINE HEIGHTS RESIDENCE ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

2014 2013

ASSETS

CURRENT ASSETS

Cash $6,244 $4,207
Receivable - Harmonized Sales Tax Rebate 4,394 3,086
Prepaid expenses 18,056 14,613

$28,694 $21,906

LIABILITIES

CURRENT LIABILITIES

Accounts payable and accrued expenses $28,428 $62,681
Accrued wages 17,939 22,615
Accrued vacation pay 42,721 42,721

89,088 128,017

ACCRUED SEVERANCE LIABILITY (Note 3)

146,666 146,666

NET DEBT

NET DEBT

(207,060) (252,777)

$28,694 $21,906

Signed on behalf of the board.

______________________, Director

______________________, Director

The accompanying notes form an integral part of this financial statement.

Blair J. Jewer
Chartered Accountant
PINE HEIGHTS RESIDENCE ASSOCIATION INC.

STATEMENT OF OPERATIONS AND NET DEBT

FOR THE PERIOD ENDED MARCH 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Regional Health Authority</td>
<td>$938,455</td>
<td>$810,210</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>769,638</td>
<td>748,789</td>
</tr>
<tr>
<td>Food</td>
<td>32,259</td>
<td>28,879</td>
</tr>
<tr>
<td>Rent</td>
<td>9,396</td>
<td>9,396</td>
</tr>
<tr>
<td>Staff training and travel</td>
<td>11,551</td>
<td>5,150</td>
</tr>
<tr>
<td>Household supplies and pandemic preparedness</td>
<td>7,000</td>
<td>1,094</td>
</tr>
<tr>
<td>Professional fees</td>
<td>9,691</td>
<td>7,029</td>
</tr>
<tr>
<td>Electricity and fuel</td>
<td>7,834</td>
<td>7,275</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>15,126</td>
<td>7,622</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,975</td>
<td>4,410</td>
</tr>
<tr>
<td>Recreation</td>
<td>2,313</td>
<td>1,647</td>
</tr>
<tr>
<td>Communications</td>
<td>6,351</td>
<td>4,111</td>
</tr>
<tr>
<td>Office expenses</td>
<td>6,186</td>
<td>3,200</td>
</tr>
<tr>
<td>Administration</td>
<td>5,806</td>
<td>5,439</td>
</tr>
<tr>
<td>Allowances</td>
<td>126</td>
<td>(503)</td>
</tr>
<tr>
<td>Clothing</td>
<td>113</td>
<td>362</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>4,373</td>
<td>(1,657)</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUE OVER EXPENSES</strong></td>
<td>45,717</td>
<td>(22,033)</td>
</tr>
<tr>
<td><strong>(INCREASE) DECREASE IN SEVERANCE ACCRUAL</strong></td>
<td>-</td>
<td>(13,089)</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUE OVER EXPENSES</strong></td>
<td>45,717</td>
<td>(35,122)</td>
</tr>
<tr>
<td><strong>(NET DEBT) BEGINNING OF YEAR</strong></td>
<td>(252,777)</td>
<td>(217,655)</td>
</tr>
<tr>
<td><strong>(NET DEBT) END OF YEAR</strong></td>
<td>$(207,060)</td>
<td>$(252,777)</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of this financial statement.

Blair J. Jewer
Chartered Accountant
PINE HEIGHTS RESIDENCE ASSOCIATION INC.

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED MARCH 31, 2014

<table>
<thead>
<tr>
<th>Description</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH WAS PROVIDED BY (USED FOR)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus</td>
<td>$45,717</td>
<td>$(35,122)</td>
</tr>
<tr>
<td>Change in non-cash working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harmonized Sales Tax rebate</td>
<td>(1,308)</td>
<td>(491)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(3,443)</td>
<td>(3,419)</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>(34,253)</td>
<td>40,646</td>
</tr>
<tr>
<td>Accrued wages</td>
<td>(4,676)</td>
<td>(603)</td>
</tr>
<tr>
<td>Accrued vacation pay</td>
<td>-</td>
<td>3,598</td>
</tr>
<tr>
<td><strong>FINANCING</strong></td>
<td>2,037</td>
<td>4,609</td>
</tr>
<tr>
<td>Severance pay accrual - net of payout</td>
<td>-</td>
<td>(7,559)</td>
</tr>
<tr>
<td><strong>INCREASE (DECREASE) IN CASH</strong></td>
<td>2,037</td>
<td>(2,950)</td>
</tr>
<tr>
<td>CASH, BEGINNING OF YEAR</td>
<td>4,207</td>
<td>7,157</td>
</tr>
<tr>
<td>CASH END OF YEAR</td>
<td>$6,244</td>
<td>$4,207</td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of this financial statement.

Blair J. Jewer
Chartered Accountant
NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2014

1. PURPOSE
The Corporation was incorporated under the laws of the Province of Newfoundland and Labrador as a corporation without share capital. Its purpose is the provision of services to residents it is responsible for in connection with province of Newfoundland and Labrador legislation, including the Young Persons Offences Act, the Youth Criminal Justice Act, and the Child, Youth, and Family Services Act.

The Corporation is exempt from income tax as a qualifying non-profit organization.

2. ACCOUNTING POLICIES
These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not for profit organizations.

(a) Revenue is recognized using the deferral method of accounting.

(b) The cost of property, plant and equipment acquired during the year is charged against revenue as a current expense (versus being capitalized and depreciated over its useful life).

(c) The value of donated goods and services is not reflected in the financial statements.

(d) Estimates
The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the year they become known.

(d) Financial Instruments
The organization initially measures financial instruments at fair value, except for certain non-arms length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement provided it is no greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

Transaction costs are recognized in excess of revenue over expenses in the period incurred.

Blair J. Jewer
Chartered Accountant
3. ACCRUED SEVERANCE LIABILITY
The corporation has in effect a severance pay policy whereby employees with nine or more continuous years of service are entitled to a severance payment upon leaving employment. Employees with nine or more years of continuous employment are entitled to one week of pay per year of continuous employment to a maximum of twenty weeks.

4. ECONOMIC DEPENDENCE
The corporation derives all of its revenue from a funding agreement with the Government of Newfoundland and Labrador.
PINE HEIGHTS RESIDENCE ASSOCIATION INC.

FINANCIAL STATEMENTS

AS AT MARCH 31, 2013
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<th>Page</th>
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</thead>
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<td>3</td>
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<tr>
<td>STATEMENT OF CASH FLOWS</td>
<td>4</td>
</tr>
<tr>
<td>NOTES</td>
<td>5-6</td>
</tr>
</tbody>
</table>

Blair J. Jewer  
Chartered Accountant
INDEPENDENT AUDITOR’S REPORT

To the Members
Pine Heights Residence Association Inc.

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I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion
In my opinion, the financial statements present fairly, in all material respects, the financial position of Pine Heights Residence Association Inc. as at March 31, 2013, and its financial performance and cash flows for the year then ended in accordance with Canadian generally accepted accounting standards for not for profit organizations.

January 16, 2014
Grand Falls-Windsor, NL

Chartered Accountant
PINE HEIGHTS RESIDENCE ASSOCIATION INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2013

<table>
<thead>
<tr>
<th>ASSETS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
</tr>
<tr>
<td>Cash</td>
</tr>
<tr>
<td>Receivable - Harmonized Sales Tax Rebate</td>
</tr>
<tr>
<td>Prepaid expenses</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT LIABILITIES</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
</tr>
<tr>
<td>Accrued wages</td>
</tr>
<tr>
<td>Accrued vacation pay</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>ACCRUED SEVERANCE LIABILITY (Note 3)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET DEBT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>$21,906</td>
</tr>
</tbody>
</table>

Signed on behalf of the board.

[Signature]

, Director

, Director

**ATIPPA Act S.40(1)**

The accompanying notes form an integral part of this financial statement.

Blair J. Jewer
Chartered Accountant
PINE HEIGHTS RESIDENCE ASSOCIATION INC.

STATEMENT OF OPERATIONS AND NET DEBT

FOR THE PERIOD ENDED MARCH 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Regional Health Authority</td>
<td>$810,210</td>
<td>$711,656</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>EXPENDITURES</strong></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and employee benefits</td>
<td>748,789</td>
<td>668,620</td>
</tr>
<tr>
<td>Food</td>
<td>28,879</td>
<td>27,800</td>
</tr>
<tr>
<td>Rent</td>
<td>9,396</td>
<td>9,396</td>
</tr>
<tr>
<td>Staff training and travel</td>
<td>5,150</td>
<td>6,583</td>
</tr>
<tr>
<td>Household supplies and pandemic preparedness</td>
<td>1,094</td>
<td>912</td>
</tr>
<tr>
<td>Professional fees</td>
<td>7,029</td>
<td>7,189</td>
</tr>
<tr>
<td>Electricity and fuel</td>
<td>7,275</td>
<td>7,409</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>7,622</td>
<td>6,509</td>
</tr>
<tr>
<td>Insurance</td>
<td>4,410</td>
<td>4,373</td>
</tr>
<tr>
<td>Recreation</td>
<td>1,647</td>
<td>1,743</td>
</tr>
<tr>
<td>Communications</td>
<td>4,111</td>
<td>4,289</td>
</tr>
<tr>
<td>Office expenses</td>
<td>3,200</td>
<td>3,651</td>
</tr>
<tr>
<td>Administration</td>
<td>5,439</td>
<td>7,855</td>
</tr>
<tr>
<td>Allowances</td>
<td>(503)</td>
<td>175</td>
</tr>
<tr>
<td>Clothing</td>
<td>362</td>
<td>613</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>(1,657)</td>
<td>1,334</td>
</tr>
<tr>
<td></td>
<td>832,243</td>
<td>758,451</td>
</tr>
</tbody>
</table>

**EXCESS OF REVENUE OVER EXPENSES**

BEFORE SEVERANCE ACCRUAL

(INCREASE) DECREASE IN SEVERANCE ACCRUAL

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>(35,122)</td>
<td>(13,089)</td>
<td>(31,668)</td>
</tr>
</tbody>
</table>

**EXCESS OF REVENUE OVER EXPENSES**

(NET DEBT) BEGINNING OF YEAR

<table>
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<tr>
<th></th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td>(217,655)</td>
<td>(139,192)</td>
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**NET DEBT) END OF YEAR**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$(252,777)</td>
<td>$(217,655)</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form an integral part of this financial statement.

Blair J. Jewer
Chartered Accountant
PINE HEIGHTS RESIDENCE ASSOCIATION INC.

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED MARCH 31, 2013

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH PROVIDED BY (USED FOR)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>OPERATING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Surplus</td>
<td>$(35,122)</td>
<td>$(78,463)</td>
</tr>
<tr>
<td>Change in non-cash working capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harmonized Sales Tax rebate</td>
<td>(491)</td>
<td>2,251</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(3,419)</td>
<td>-</td>
</tr>
<tr>
<td>Accounts payable and accrued expenses</td>
<td>40,646</td>
<td>17,288</td>
</tr>
<tr>
<td>Accrued wages</td>
<td>(603)</td>
<td>(1,354)</td>
</tr>
<tr>
<td>Accrued vacation pay</td>
<td>3,598</td>
<td>5,361</td>
</tr>
<tr>
<td>Total Operating</td>
<td>4,609</td>
<td>(54,917)</td>
</tr>
<tr>
<td>FINANCING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severance pay accrual - net of payout</td>
<td>(7,559)</td>
<td>31,668</td>
</tr>
<tr>
<td>(DECREASE) INCREASE IN CASH</td>
<td>(2,950)</td>
<td>(23,249)</td>
</tr>
<tr>
<td>CASH, BEGINNING OF YEAR</td>
<td>7,157</td>
<td>30,406</td>
</tr>
<tr>
<td>CASH END OF YEAR</td>
<td>$4,207</td>
<td>$7,157</td>
</tr>
</tbody>
</table>

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Blair J. Jewer
Chartered Accountant
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(b) The cost of property, plant and equipment acquired during the year is charged against revenue as a current expense (versus being capitalized and depreciated over its useful life).

(c) The value of donated goods and services is not reflected in the financial statements.

(d) Estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to excess of revenue over expenses as appropriate in the year they become known.

(d) Financial Instruments

The organization initially measures financial instruments at fair value, except for certain non-arms length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for equity investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement provided it is no greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

Transaction costs are recognized in excess of revenue over expenses in the period incurred.
3. ACCRUED SEVERANCE LIABILITY
   The corporation has in effect a severance pay policy whereby employees with nine or more continuous years of service are entitled to a severance payment upon leaving employment. Employees with nine or more years of continuous employment are entitled to one week of pay per year of continuous employment to a maximum of twenty weeks.

4. ECONOMIC DEPENDENCE
   The corporation derives all of its revenue from a funding agreement with the Government of Newfoundland and Labrador.
August 1, 2013

Pine Heights Residence Association Inc.
P.O. Box 882
Grand Falls-Windsor, NL
A2A 2P7

To the Board of Directors

I have been engaged to audit the financial statements of Pine Heights Residence Association Inc. for the year ended March 31, 2013. Canadian generally accepted auditing standards require that I communicate the following information with you in relation to your audit.

Management is responsible for establishing and maintaining an adequate internal control structure and procedures for financial reporting. This includes the design and maintenance of accounting records, recording transactions, selecting and applying accounting policies, safeguarding of assets and preventing and detecting fraud and error.

My Responsibility as Auditor

As stated in the engagement letter dated August 1, 2013, my responsibility as auditor of your Corporation is to express an opinion on whether the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the organization in accordance with Canadian generally accepted accounting principles.

An audit is performed to obtain reasonable but not absolute assurance as to whether the financial statements are free of material misstatement. Due to the inherent limitations of an audit, there is an unavoidable risk that some misstatements of the financial statements will not be detected (particularly intentional misstatements concealed through collusion), even though the audit is properly planned and performed.

My audit includes:

- Assessing the risk that the financial statements may contain misstatements that, individually or in the aggregate, are material to the financial statements taken as a whole; and

- Examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.
As part of my audit, I will obtain a sufficient understanding of the business and the internal control structure of the Corporation to plan the audit. This will include management’s assessment of:

- The risk that the financial statements may be materially misstated as a result of fraud and error; and,
- The internal controls put in place by management to address such risks.

Audit Committee Members’ Responsibilities

The audit committee’s role is to act in an objective, independent capacity as a liaison between the auditor, management and board of directors, to ensure the auditor have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations.

The audit committee’s responsibilities include:

- Being available to assist and provide direction in the audit planning process when and where appropriate;
- Meeting with the auditor as necessary and prior to release and approval of financial statements to review audit, disclosure and compliance issues;
- Where necessary, reviewing matters raised by the auditor with appropriate levels of management, and reporting back to the auditor their findings;
- Making known to the auditor any issues of disclosure, corporate governance, fraud or illegal acts, non-compliance with laws or regulatory requirements that are known to them, where such matters may impact the financial statements or auditor’s report;
- Providing guidance and direction to the auditor on any additional work they feel should be undertaken in response to issues raised or concerns expressed;
- Making such enquiries as appropriate into the findings of the auditor with respect to corporate governance, management conduct, cooperation, information flow and systems of internal controls; and
- Reviewing the draft financial statements prepared by management, including the presentation, disclosures and supporting notes and schedules, for accuracy, completeness and appropriateness, and approve same to be passed to directors for approval.

Audit Approach

Outlined below are certain aspects of my audit approach which are intended to help you in discharging your oversight responsibilities. My general approach to the audit of the Corporation is to assess the risks of material misstatement in the financial statements and then respond by designing audit procedures.
Illegal Acts, Fraud, Intentional Misstatements and Errors

My auditing procedures, including tests of your accounting records, are limited to those considered necessary in the circumstances and would not necessarily disclose all illegal acts, fraud, intentional misstatements or errors should any exist. I will conduct the audit under Canadian generally accepted auditing standards (GAAS), which include procedures to consider (based on the control environment, governance structure and circumstances encountered during the audit), the potential likelihood of fraud and illegal acts occurring.

These procedures are not designed to test for fraudulent or illegal acts, nor would they necessarily detect such acts or recognize them as such, even if the effect of their consequences on the financial statements is material. However, should I become aware that an illegal or possible illegal act or an act of fraud may have occurred, other than one considered clearly inconsequential, I will communicate this information directly to the audit committee.

It is management's responsibility to detect and prevent illegal actions. If such acts are discovered or audit committee members become aware of circumstances under which the Corporation may have been involved in fraudulent, illegal or regulatory non-compliance situations, such circumstances must be disclosed to me.

Related Party Transactions

During my audit, I conduct various tests and procedures to identify transactions considered to involve related parties. Related parties exist when one party has the ability to exercise, directly or indirectly, control, joint control or significant influence over the other. Two or more parties are related when they are subject to common control, joint control or common significant influence. Related parties also include management, directors and their immediate family members and companies with which these individuals have an economic interest.

I will ensure that all related party transactions that were identified during the audit have been represented by management to have been disclosed in the notes to financial statements, recorded in accordance with Canadian generally accepted accounting principles (GAAP), and have been reviewed with you. All gains and losses occurring as a result of transactions with related parties have been recorded in accordance with the recommendations of Section 3840 of the Canadian Institute of Chartered Accountants (CICA) Handbook. Management has advised that no other related party transactions have occurred that have not been disclosed to me. The audit committee is required to advise me if they are aware of or suspect any other related party transactions have occurred which have not been disclosed in the financial statements.

Risk-based

My risk-based approach focuses on obtaining sufficient appropriate audit evidence to reduce the risk of material misstatement in the financial statements to an appropriately low level. This means that I focus my audit work on higher risk areas that have a higher risk of being materially misstated.
Materiality

Materiality in an audit is used to:

- Guide planning decisions on the nature and extent of my audit procedures;
- Assess the sufficiency of the audit evidence gathered; and
- Evaluate any misstatements found during my audit.

Materiality is defined as:

Materiality is the terms used to describe the significance of financial statement information to decision makers. An item of information, or an aggregate of items, is material if it is probable that its omission or misstatement would influence or change a decision. Materiality is a matter of professional judgement in the particular circumstances.

I plan to use a materiality of $10,500.

Audit Procedures

In responding to my risk assessment, I will use a combination of tests of controls, tests of details and substantive analytical procedures. The objective of the tests of controls is to evaluate whether certain controls operated effectively. The objective of the tests of details is to detect material misstatements in the account balances and transaction streams. Substantive analytical procedures are used to identify differences between recorded amounts and predictable expectations in larger volumes of transactions over time.

This communication is prepared solely for the information of the audit committee and is not intended for any other purpose. I accept no responsibility to a third party who uses this communication.

Yours very truly,

Blair J. Jewer  C.A.
January 16, 2014

Directors of Pine Heights Residence Association Inc.
P.O. Box 882
Grand Falls-Windsor, NL
A2A 2P7

To the Directors

I have been engaged to audit the financial statements of Pine Heights Residence Association Inc. for the year ended March 31, 2013. Canadian generally accepted standards for audit engagements require that I communicate the following information with you in relation to my audit.

Evaluation of 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.

In my previous management letter of December 11, 2012 I reported to you the following weaknesses in your system of internal controls:

1. Accounts payable invoices were not being cancelled in an appropriate manner after payment. This problem has been adequately resolved.
2. There is no indication on the invoice of GL distribution. It is therefore possible to post expenses to the incorrect category. This could open the opportunity for manipulation of budget categories. This issue remains unresolved.
3. There is presently no approval mechanism of travel claims submitted by the administrative manager. This problem has been adequately resolved.
4. Presently there is no system in place, of which I am aware, for control over items susceptible to theft, such as food and household goods. You have advised me that you do not consider this to be a significant threat.
5. Presently, there is no documented proof that employee time cards are approved by both the employee and supervisor. While I have not seen documented evidence of this issue being resolved, there is other compensating evidence on which I relied.
6. Presently, the Board of Directors minutes generally contains no discussion of financial matters or review of financial results. This lack of Board oversight presents opportunity for fraud and error to occur in financial reporting. This is especially important given the small size of the organization does not provide resources to provide ideal segregation of financial duties. For this reason close Board oversight is critical, but there is no documented evidence it is occurring.
Significant Accounting Principles

Management is responsible for the appropriate selection and application of accounting policies. My role is to review the appropriateness and application as part of my audit. The accounting policies used for the Corporation are described in Note 2, Summary of Significant Accounting Policies, in the financial statements. The financial statements are prepared in accordance with Canadian generally accepted accounting for not for profit organizations.

Significant Unusual Transactions

I am not aware of any significant of unusual transactions entered into by the Corporation 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.

My responsibility as 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.

Blair J. Jewer
Chartered Accountant
Disagreements with Management

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

- Selection or application of accounting principles;
- Assumptions and related judgements for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

I am pleased to inform you that I had no disagreements with management during the course of my audit.

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 provided 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, I am 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

The auditor generally discusses among other matters, the application of accounting principles and auditing standards, and fees, etc. with management in during the initial or recurring appointment of the auditor during the normal course of business. There were no major issues discussed during my audit with regards to my retention that were not in the normal course of business.

Difficulties Encountered During the Audit

I encountered no significant difficulties during my audit that should be brought to the attention of the audit committee.

Other Matters

I remind you that care must be taken to ensure shift differentials and weekend shift differentials are properly recorded in payroll processing. The processed payroll should be checked against the original time cards to ensure no errors or omissions, prior to releasing pay cheques.
I will be pleased to discuss with you further any matters mentioned above, at your convenience.

This communication is prepared solely for the information of the audit committee and is not intended for any other purpose. I accept no responsibility to a third part who uses this communication.

To ensure there is a clear understanding and record of the matters discussed, I ask that members of the audit committee sign their acknowledgment in the spaces provided below. Should any member of the audit committee wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact me at any time.

Yours very truly,

Blair J. Jewer  C.A.

Acknowledgment of Audit Committee:

I have read and reviewed the above disclosures and understand and agree with the comments herein:

Signature: __________________________

Date: __________________________

Blair J. Jewer  Chartered Accountant
January 16, 2014

The Board of Directors
Pine Heights Residence Association Inc.
P.O. Box 882
Grand Falls-Windsor, NL  A2A 2P7

Dear Board of Director Members:

I have been engaged to audit the financial statements of Pine Heights Residence Association Inc. for the year ended March 31, 2013.

I will communicate at least annually with you regarding all relationships between the corporation and myself that, in my professional judgement, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require me to consider relevant rules and related interpretations prescribed by the Institute of Chartered Accountants of Newfoundland and Labrador and applicable legislation, covering such matters as:

a) Holding a financial interest, either directly or indirectly, in a client;

b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;

c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;

d) Economic dependence on a client; and

e) Provision of services in addition to the audit engagement.
I have prepared the following comments to facilitate my discussions with you regarding independence matters arising since April 1, 2012. I am not aware of any relationships between the Corporation and myself that, in my professional judgement, may reasonably be thought to bear on my independence, that have occurred from April 1, 2012 - January 16, 2014.

Total fees charged to the Association for the period April 1, 2012 to January 16, 2014 totaled $2500.00 plus HST for audit services.

The Rules of Professional Conduct of the Institute of Chartered Accountants of Newfoundland and Labrador deal with the concept of independence in terms of objectivity, my confirmation is to be made in that context. Accordingly, I hereby confirm that I am objective with respect to the corporation within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Newfoundland and Labrador as of January 16, 2014.

This report is intended solely for the use of the, the board of directors, management and others within the Corporation and should not be used for any other purposes.

I look forward to discussing with you the matters addressed in this letter at our upcoming meeting.

Yours truly,

Blair J. Jewer  CA

[ATIPPA Act S.40(1)]
January 16, 2014

Blair J. Jewer Chartered Accountant
PO Box 471
Grand Falls-Windsor, NL. A2A 2J9

Dear Sir:

This representation letter is provided in connection with your audit of the financial statements of Pine Heights Residence Association for the period ended March 31, 2013 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian generally accepted accounting standards for not for profit organizations.

We confirm that (to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves):

Financial Statements
- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated August 1, 2013 for the preparation of the financial statements in accordance with Canadian generally accepted accounting standards for not for profit organizations; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with Canadian generally accepted accounting standards for not for profit organizations.
- All events subsequent to the date of the financial statements and for which Canadian generally accepted accounting standards for not for profit organizations require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information Provided
- We have provided you with:
  - Access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.

- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators or others.

- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

- We have disclosed to you the identity of the entity’s related parties and all the related-party relationships and transactions of which we are aware.

Yours very truly,
August 1, 2013

Pine Heights Residence Association
P.O. Box 882
Grand Falls-Windsor, NL A2A 2P7
ATTN: [redacted] Chairperson

Dear [redacted],

You have requested that we audit the financial statements of Pine Heights Residence Association, which comprise the statement of financial position as at March 31, 2013, and the statement of operations and net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

Our Responsibilities

We will conduct our audit of Pine Heights Residence Association in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.
Content of Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the form contained in Appendix A to this letter.

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form, or have not formed, an opinion on the financial statements, we may withdraw from the audit before issuing an auditor's report or we may disclaim an opinion on the financial statements. If this occurs, we will communicate the reasons and provide you details of any misstatements identified during the audit.

Use and Distribution of our Report

The examination of the financial statements and the issuance of our audit opinion are solely for the use of Pine Heights Residence Association and those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these financial statements and we accept no responsibility for their use by any third party.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication unless otherwise agreed to by us.

Reproduction of Auditor’s Report

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website, or to consider the consistency of other information on the electronic site with the original document.

Management's Responsibilities

Our audit will be conducted on the basis that management and the Board of Directors acknowledge and understand that they have responsibility:

a) For the preparation and fair presentation of the financial statements in accordance with Canadian generally accepted accounting standards for not for profit organizations;

b) For such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
c) To provide us with:
   i. Unrestricted access to persons within the entity from whom we determine it is necessary to make inquiries;
   ii. Access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters; and
   iii. Additional information that we may request from management for the purpose of the audit.
As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

**Preparation of Schedules**

We understand that your employees will prepare certain schedules and locate specified documents for our use before our engagement is planned to commence. This assistance will facilitate our work and will help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or withdraw from the engagement.

**Working Papers**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our Firm, constitute confidential information and will be retained by us in accordance with our Firm's policies and procedures.

**File Inspections**

In accordance with professional regulations (and by our Firm's policy), our client files may periodically be reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and our Firm's standards. File reviewers are required to maintain confidentiality of client information.

**Governing Legislation**

This engagement letter is subject to and governed by the laws of the Province of Newfoundland and Labrador. The Province of Newfoundland and Labrador will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts, to claim that the action has been brought in an inappropriate forum, or to claim that those courts do not have jurisdiction.

**Dispute Resolution**

You agree that:

a) Any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation; and

b) You will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement.

Any mediation initiated, as a result of this engagement, shall be administered within the Province of Newfoundland and Labrador according to its mediation rules, and any ensuing litigation shall be conducted within such province, according to provincial law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

**Indemnity**

Pine Heights Residence Association hereby agrees to indemnify, defend (by counsel retained and instructed by us), and hold harmless our Firm and its partners, agents or employees, from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:
a) The breach by Pine Heights Residence Association, or its directors, officers, agents, or employees, of any of the covenants made by Pine Heights Residence Association herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our Firm; and b) The services performed by us pursuant to this engagement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of our Firm. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your company.

**Time Frames**
We will use all reasonable efforts to complete the engagement as described in this letter within the agreed upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by Pine Heights Residence Association of its obligations.

**Fees at Regular Billing Rates**
Our professional fees will be based on our regular billing rates plus direct out-of-pocket expenses and applicable GST/HST and are due when rendered. Fees for any additional services will be established separately.

**Billing**
Our fees and costs will be billed monthly, and are payable upon receipt. Invoices unpaid 30 days past the billing date may be deemed delinquent, and are subject to an interest charge of [2.0%] per month. We reserve the right to suspend our services or to withdraw from this engagement in the event that any of our invoices are deemed delinquent. In the event that any collection action is required to collect unpaid balances due to us, you agree to reimburse us for our costs of collection, including lawyers' fees.

**Termination**
If we elect to terminate our services for nonpayment, or for any other reason provided for in this letter, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended, and to reimburse us for all of our out-of-pocket costs, through to the date of termination.

**Costs of Responding to Government or Legal Processes**
In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response, and to reimburse us for all of our out-of-pocket costs (including applicable GST/HST) incurred.

Blair J. Jewer
Chartered Accountant
Other Services

In addition to the audit services referred to above, we will, as allowed by the Rules of Professional Conduct/Code of Ethics of the Institute of Chartered Accountants of Newfoundland and Labrador, prepare your income tax returns and other special reports as required. Management will provide the information necessary to complete these returns/reports and will file them with the appropriate authorities on a timely basis.

Use of Information

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagement. Our services are provided on the basis that:

a) You represent to us that management has obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and

b) We will hold all personal information in compliance with our Privacy Statement.

Communications

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and e-mail transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the communications, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your organization.

Yours truly,

[Signature]

Blair J. Jewer, CA

ATIPPA Act S.40(1)
Acknowledged and agreed on behalf of Pine Heights Residence Association by:

Signed
Dr. King

Date Jan 16/14

ATIPPA Act S.40(1)