

STONE HAZELL & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANTS



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PERSONAL TAX REPRESENTATION LETTER

We have compiled your **2023 personal** tax return based on the information that you have provided. We did not audit, review or otherwise verify this information, it is **your responsibility** to provide us with **complete and accurate support**. In that regard, please be advised that certain areas of your tax return will have the notation **“Prepared solely for income tax purposes, without audit or review, from information provided by the taxpayer.”**

We have noted that your return includes at least one of the below areas or we feel is at a higher risk of CRA review:

T2125 - Statement(s) of business or professional activities	T776 – Statement(s) of rental activities
T2042 – Statement(s) of farming activities	T777 – Statement of employment expenses
T657 – Calculation of capital gains deduction	T1-M – Moving expenses deduction
TL2 – Claim for meals and lodging expenses	ABIL – Allowable business investment losses
T2222 – Northern residents’ deductions	T1206 – Tax on split income (TOSI)
T1135 – Foreign income verification statement	Foreign income and/or foreign tax credits
Medical expenses	Charitable donations
Missed T-slips in the previous three taxation years	Capital gains on dispositions

As a result, there is a **strong probability** that your tax return will be selected for a pre or post assessment review and/or a full audit by the CRA. If this occurs and you would like our assistance therewith, please contact us and we will use our best efforts to assist.

Given the above, we want to clarify your understanding of your responsibilities in conjunction with and in addition to the Engagement letter that you have executed.

- You hereby understand and agree that you are responsible for the final review of your tax return and supporting statements to ensure it is complete, accurate, includes all necessary information, and fully discloses all sources of income. Specifically, you represent:
 - If you have claimed automobile expenses on your tax return, you have maintained an accurate logbook of business travel maintained for the entire year, showing for each business trip, the destination, the reason for the trip and the distance covered. That you have also kept legible copies of all supporting receipts.
 - If you have provided a summary of income or expenses for any items included in your tax return, you have accurate supporting documentation available to support the summaries provided to us in the event of a CRA review or audit.
 - If you have provided estimates of any manner to assist us with preparation of your tax return, you have accurate supporting documentation available to support the estimates provided to us in the event of a CRA review or audit.
- You understand and acknowledge that the CRA requires that you keep all tax information slips and documents for a minimum of seven years. Further we recommend that support for capital asset additions and disposals, real property purchases or improvements, legal agreements or other items that may be required for gains calculations should be kept indefinitely.
- If you would like our assistance in responding to the CRA about any related matter, you will provide us with copies of any assessment or reassessment correspondence which you receive from the CRA as soon as practical after it is received. In many cases formal Notice of Objection deadlines apply and if they are not met, your only opportunity to challenge or object to assessments or reassessments will be lost.
- Our **fees for the preparation of your return(s) may vary** based on the complexity of your return. All invoices are due and payable on delivery of the completed return to you, and we may require payment in full prior to filing. Interest is charged at 2% per month on unpaid invoices outstanding for 60 days and you agree to pay these interest charges without discussion or dispute.
- You understand and acknowledge that fees relating to addressing subsequent CRA reviews, adjustments, (re)assessments or other matters will accrue at our standard hourly rates and be **billed separately from the cost of preparation of your personal tax return**.
- You understand and acknowledge that the CRA imposes penalties upon taxpayers and tax return preparers for failure to observe due care when filing your income tax return. (If you would like information on the amount or circumstances of these penalties, please contact us)
- You understand and acknowledge that the CRA **imposes penalties upon taxpayers for failure to file trust tax returns for any trust (legally constituted or bare)** that you are party to for trust years ending on or after December 31, 2023. (If you would like information on the amount or circumstances of these penalties, please contact us)

I have read this letter and the services and terms set out above are as agreed. In addition, I acknowledge and accept my responsibilities as a taxpayer and client whose return I have engaged you to prepare.

x _____
Print Name

x _____
Signature

x _____
Date