

The Crowe Valley Conservation Authority

June 16, 2022

Grant Thornton LLP
362 Queen Street
PETERBOROUGH, ON K9H 6P8

Dear Sir/Madam:

We are providing this letter in connection with your audit of the financial statements of The Crowe Valley Conservation Authority ("the Authority") as of December 31, 2021, and for the year then ended, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of The Crowe Valley Conservation Authority in accordance with Canadian public sector accounting standards.

We acknowledge that we have fulfilled our responsibilities for the preparation of the financial statements in accordance with Canadian public sector accounting standards and for the design and implementation of internal controls to prevent and detect fraud and error. We have assessed the risk that the financial statements may be materially misstated as a result of fraud, and have determined such risk to be low. Further, we acknowledge that your examination was planned and conducted in accordance with Canadian generally accepted auditing standards (GAAS) so as to enable you to express an opinion on the financial statements. We understand that while your work includes an examination of the accounting system, internal controls and related data to the extent you considered necessary in the circumstances, it is not designed to identify, nor can it necessarily be expected to disclose, fraud, shortages, errors and other irregularities, should any exist.

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the financial statements would influence the decision of a reasonable person relying on the financial statements.

We confirm, to the best of our knowledge and belief, as of June 16, 2022, the following representations made to you during your audit.

Financial statements

- 1 The financial statements referred to above present fairly, in all material respects, the financial position of the Authority as at December 31, 2021 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards, as agreed to in the terms of the audit engagement.

Completeness of information

- 2 We have made available to you all financial records and related data and all minutes of the meetings of directors, and committees of directors, as agreed in the terms of the audit engagement. Summaries of actions of recent meetings for which minutes have not yet been

prepared have been provided to you. All significant board and committee actions are included in the summaries.

- 3 We have provided you with unrestricted access to persons within the Authority from whom you determined it necessary to obtain audit evidence.
- 4 There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements. The adjusting journal entries which have been proposed by you are approved by us and will be recorded on the books of the Authority.
- 5 There were no restatements made to correct a material misstatement in the prior period financial statements that affect the comparative information.
- 6 We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
- 7 We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the financial statements or as the basis of recording a contingent loss.
- 8 We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting of which we are aware.
- 9 We have identified to you all known related parties and related party transactions, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements guarantees, non-monetary transactions and transactions for no consideration.
- 10 You provided a non-audit service by assisting us with drafting the financial statements and related notes. In connection with this non-audit service, we confirm that we have made all management decisions and performed all management functions, have the knowledge to evaluate the accuracy and completeness of the financial statements, and accept responsibility for such financial statements.

Fraud and error

- 11 We have no knowledge of fraud or suspected fraud affecting the Authority involving management; employees who have significant roles in internal control; or others, where the fraud could have a non-trivial effect on the financial statements.
- 12 We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, analysts, regulators or others.
- 13 We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

- 14 We believe that the effects of the uncorrected financial statement misstatements summarized in the accompanying schedule are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Recognition, measurement and disclosure

- 15 We believe that the methods, significant assumptions and data used by us in making accounting estimates and related disclosures are appropriate to achieve recognition, measurement and disclosure that is in accordance with Canadian public sector accounting standards.
- 16 We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities, both financial and non-financial, reflected in the financial statements.
- 17 All related party transactions have been appropriately measured and disclosed in the financial statements.
- 18 The nature of all material measurement uncertainties has been appropriately disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- 19 All outstanding and possible claims, whether or not they have been discussed with legal counsel, have been disclosed to you and are appropriately reflected in the financial statements.
- 20 All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.
- 21 All “off-balance sheet” financial instruments have been properly recorded or disclosed in the financial statements.
- 22 With respect to environmental matters:
- a) at year end, there were no liabilities or contingencies that have not already been disclosed to you;
 - b) liabilities or contingencies have been recognized, measured and disclosed, as appropriate, in the financial statements; and
 - c) commitments have been measured and disclosed, as appropriate, in the financial statements.
- 23 The Authority has satisfactory title to (or lease interest in) all assets, and there are no liens or encumbrances on the Authority’s assets nor has any been pledged as collateral.
- 24 We have disclosed to you, and the Authority has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.

- 25 The Goods and Services Tax (GST) and Harmonized Sales Tax (HST) transactions recorded by the Authority are in accordance with the federal and provincial regulations. The GST and HST liability/receivable amounts recorded by the Authority are considered complete.
- 26 There have been no events subsequent to the balance sheet date up to the date hereof that would require recognition or disclosure in the financial statements other than the lease commitment entered into subsequent to year end as described in Note 10. Further, there have been no events subsequent to the date of the comparative financial statements that would require adjustment of those financial statements and related notes.

Other

- 27 We have considered whether or not events have occurred or conditions exist which may cast significant doubt on the Authority's ability to continue as a going concern and have concluded that no such events or conditions are evident.

Yours very truly,

Tim Pidduck, General Manager

Amanda Donald, Administrative Assistant

The Crowe Valley Conservation Authority**DFC1****Year End: December 31, 2021****Adjusting Journal Entries****Date: 1/1/2021 To 12/31/2021**

Number	Date	Name	Account No	Debit	Credit
1	12/31/2021	Land improvements - A/A	1645		118.62
1	12/31/2021	Buildings - A/A	1655		5,867.00
1	12/31/2021	Furniture, tools and equipment -A/A	1665		974.50
1	12/31/2021	Automotive equipment - A/A	1675		5,962.00
1	12/31/2021	Computer hardware/software-A/A	1685		2,086.26
1	12/31/2021	Infrastructure - A/A	1695		15,713.00
1	12/31/2021	Amortization	5900	30,721.38	
		To record amortization for the year.			
2	12/31/2021	Deferred Revenue	2600		2,493.10
2	12/31/2021	Deferred Revenue	2600		1,416.25
2	12/31/2021	Deferred Revenue	2600		29,899.79
2	12/31/2021	Source Water Protection	4160-0003	29,899.79	
2	12/31/2021	MNR Funding	4240-0007	1,416.25	
2	12/31/2021	MNR Low Water Funding	4250-0002	2,493.10	
		To adjust deferred revenue.			
3	12/31/2021	Land improvements	1640	3,561.62	
3	12/31/2021	Furniture, tools and equipment	1660	2,238.72	
3	12/31/2021	Furniture, tools and equipment	1660	2,912.76	
3	12/31/2021	Furniture, tools and equipment	1660	2,912.73	
3	12/31/2021	Furniture, tools and equipment	1660	783.55	
3	12/31/2021	Furniture, tools and equipment	1660	1,428.67	
3	12/31/2021	Furniture, tools and equipment	1660	28,687.07	
3	12/31/2021	Operations Capital Expense	5220-0002		2,238.72
3	12/31/2021	Operations Capital Expense	5220-0002		1,428.67
3	12/31/2021	Operations Capital Expense	5220-0002		28,687.07
3	12/31/2021	Repairs & Maintenance	5550-0001		2,912.76
3	12/31/2021	Repairs & Maintenance	5550-0001		2,912.73
3	12/31/2021	Repairs & Maintenance	5550-0001		783.55
3	12/31/2021	Dam operations	5680-0002		3,561.62
		To reallocate capital assets.			
4	12/31/2021	Accrued liabilities	2140		5,011.92
4	12/31/2021	Wages	5410-0001	1,816.82	
4	12/31/2021	Wages	5410-0002	949.76	
4	12/31/2021	Wages	5410-0003	301.22	
4	12/31/2021	Wages	5410-0004	1,691.52	
4	12/31/2021	Wages	5410-0005	48.11	
4	12/31/2021	Wages	5410-0006	36.09	
4	12/31/2021	Wages	5410-0007	36.09	
4	12/31/2021	Wages	5410-0008	132.31	
		To adjust accrued liabilities.			

The Crowe Valley Conservation Authority**DFC1-1**

Year End: December 31, 2021

Adjusting Journal Entries

Date: 1/1/2021 To 12/31/2021

Number	Date	Name	Account No	Debit	Credit
PBC1	12/31/2021	HST rebate - Federal portion	1162	143.07	
PBC1	12/31/2021	HST rebate - Provincial portion	1164	178.58	
PBC1	12/31/2021	Accounts payable - other	2105		3,533.82
PBC1	12/31/2021	Operations Capital Expense	5220-0002	1,429.52	
PBC1	12/31/2021	Travel & Professional Development	5520-0002	1,424.65	
PBC1	12/31/2021	General Expense - Other	5700-0001	58.00	
PBC1	12/31/2021	General Expense - Other	5700-0002	300.00	
To record December transactions included on January Visa statement. (Amanda, you dont have to touch the original entry. Just make this entry in December and then reverse it in January).					
PBC2	12/31/2021	Accounts payable - other	2105		600.00
PBC2	12/31/2021	Levies - Operations	4100-0002	600.00	
To adjust overpayment Faraday Township's levy payment to be used towards their 2022 levy.					
				116,201.38	116,201.38

Net Income (Loss) 211,573.15

The Crowe Valley Conservation Authority

Year End: December 31, 2021

Schedule of Unadjusted Errors

DFC6

Refno	Description	Assets	Liabilities	Equity	Income	Expenses	Annotation
Unrecorded - factual							
PAJE1	To adjust Shaman Power revenue due	3,709.55	0.00	1,320.11	(5,029.66)	0.00	
		<u>3,709.55</u>	<u>0.00</u>	<u>1,320.11</u>	<u>(5,029.66)</u>	<u>0.00</u>	
	Understated/(Overstated)	<u>3,709.55</u>	<u>0.00</u>	<u>1,320.11</u>	<u>(5,029.66)</u>	<u>0.00</u>	