

The Crowe Valley Conservation Authority

June 17, 2021

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, 2020, 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 17, 2021, 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, 2020 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.

Recognition, measurement and disclosure

- 14 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.
- 15 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.
- 16 All related party transactions have been appropriately measured and disclosed in the financial statements.
- 17 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.
- 18 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.
- 19 All “off-balance sheet” financial instruments have been properly recorded or disclosed in the financial statements.
- 20 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.
- 21 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.
- 22 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.
- 23 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.
- 24 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. 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

25 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

AJE

Year End: December 31, 2020

Adjusting Journal Entries

Date: 12/1/2020 To 12/31/2020

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
AJE #1	12/31/2020	Land improvements - A/A	1645				345.00		
AJE #1	12/31/2020	Buildings - A/A	1655				5,865.00		
AJE #1	12/31/2020	Automotive equipment - A/A	1675				5,960.00		
AJE #1	12/31/2020	Computer hardware/software-A/A	1685				4,172.52		
AJE #1	12/31/2020	Infrastructure - A/A	1695				15,713.00		
AJE #1	12/31/2020	Amortization	5900			32,055.52			
To record amortization for the year									
<hr/>									
AJE #2	12/31/2020	Deferred Revenue	2600	60-1		6,659.65			
AJE #2	12/31/2020	Source Water Protection	4160-0003	60-1			6,659.65		
To adjust deferred revenue balance for F2020									
<hr/>									
AJE #3	12/31/2020	Accrued liabilities	2140	52-2			1,800.00		
AJE #3	12/31/2020	Accrued liabilities	2140	52-2		3,621.74			
AJE #3	12/31/2020	Accrued liabilities	2140	52-2		1,499.79			
AJE #3	12/31/2020	Audit fees	5010-0001	52-2		1,800.00			
AJE #3	12/31/2020	Wages	5410-0001	52-2			1,774.65		
AJE #3	12/31/2020	Wages	5410-0001	52-2		612.07			
AJE #3	12/31/2020	Wages	5410-0002	52-2			362.17		
AJE #3	12/31/2020	Wages	5410-0002	52-2			1,711.72		
AJE #3	12/31/2020	Wages	5410-0003	52-2			253.52		
AJE #3	12/31/2020	Wages	5410-0003	52-2		59.22			
AJE #3	12/31/2020	Wages	5410-0004	52-2			1,086.52		
AJE #3	12/31/2020	Wages	5410-0004	52-2			459.36		
AJE #3	12/31/2020	Wages	5410-0005	52-2			36.22		
AJE #3	12/31/2020	Wages	5410-0008	52-2			108.66		
To update AP accrual balances for F2020									
<hr/>									
AJE# 4	12/31/2020	Accounts receivable - other	1155	26-2		20,225.02			
AJE# 4	12/31/2020	Consolidated Hydro Plant Revenue	4280-0008	26-2			20,225.02		
To record Shaman Power profit sharing revenue accrual for F2020									
<hr/>									
						66,533.01	66,533.01		
<hr/>									
Net Income (Loss)			217,209.37						