

**TRI COUNTY WATER BOARD
C/O MUNICIPALITY OF WEST ELGIN
22413 HOSKINS LINE
RODNEY, ONTARIO
N0L 2C0**

June 30, 2020

Scrimgeour & Company
Suite 1706, 148 Fullarton Street
London, Ontario
N6A 5P3

Dear Madame:

This representation letter is provided in connection with your audit of the financial statements (the “financial statements”) of Tri County Water Board for the year ended December 31, 2019, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

In making the representations outlined below, we took the time necessary to appropriately inform ourselves on the subject matter through inquiries of entity personnel with relevant knowledge and experience, and, where appropriate, by inspecting supporting documentation.

We confirm that (to the best of our knowledge and belief):

Financial statements

We have fulfilled our responsibilities as set out in the terms of the audit engagement dated December 31, 2019 for:

- Preparing and fairly presenting the financial statements in accordance with Canadian public sector accounting standards;
- Providing you with:
 1. Access to all information of which we are aware that is relevant to the preparation of the financial statements, such as:
 - a. Accounting records, supporting data and other relevant documentation.
 - b. Minutes of meetings or summaries of actions taken for which minutes have not yet been prepared, and
 - c. Information on any other matters, of which we are aware, that is relevant to the preparation of the financial statements;
 2. Additional information that you have requested from us for the purpose of the audit; and
 3. Unrestricted access to persons within the entity from whom you determine it necessary to obtain audit evidence.

- Ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements; and
- Designing and implementing such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We have also communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.

Fraud and Non-Compliance

We have disclosed to you:

- All of our knowledge in relation to actual, alleged or suspected fraud affecting the entity's financial statements involving:
 1. Management
 2. Employees who have significant roles in internal control; or
 3. Others where fraud could have a material effect on the financial statements;
- All of our knowledge in relation to allegations of fraud or suspected fraud communicated by employees, former employees, analysts, regulators or others;
- All known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements that should be considered when preparing the financial statements; and
- All known, actual, or possible litigation and claims that should be considered when preparing the financial statements; and
- The results of our risk assessments regarding possible fraud or error in the financial statements.

Related Parties

We confirm that there were no related-party relationships or transactions that occurred during the period, other than as disclosed in the financial statements.

Estimates

We acknowledge our responsibility for determining the accounting estimates required for the preparation of the financial statements in accordance with Canadian public sector accounting standards. Those estimates reflect our judgement based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We confirm that the significant assumptions and measurement methods used by us in marking accounting estimates, including those measured at fair value, are reasonable.

Subsequent Events

All events subsequent to the date of the financial statements and for which Canadian public sector accounting standards requires adjustment or disclosure have been adjusted or disclosed.

Commitments and Contingencies

There are no commitments, contingent liabilities/assets or guarantees (written or oral) that should be disclosed in the financial statements, other than as disclosed in the financial statements. This includes liabilities arising from contract terms, illegal acts or possible illegal acts, and environmental matters that would have an impact on the financial statements.

Adjustments

We have reviewed, approved and recorded all of your proposed adjustments, as attached, to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Misstatements

The effects of uncorrected misstatements are immaterial, individually and in aggregate, to the financial statements as a whole. There are no uncorrected misstatements.

Accounting Policies

All significant accounting policies are disclosed in the financial statements and are consistent with those used in the previous period.

Future Plans

We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.

Yours very truly,

Name

Title

Name

Title

Tri-County Water Board

Year End: December 31, 2019

Adjusting journal entries

Date: 1/01/19 To 12/31/19

Prepared by	Reviewed by
CAS 6/16/20	CAS 6/16/20

370

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
1	12/31/19	Tri County Operating Reserve	02-3000-3565				110,933.63		
1	12/31/19	Transfer to Tri County Reserve	02-7315-7900			110,933.63			
		To correct transfer to reserve per clients journal entry							
2	12/31/19	Due from Municipality of West Elgin	02-2000-2100			265,461.91			
2	12/31/19	Tri County Operating Reserve	02-3000-3565				265,461.91		
		To correct posting of initial surplus to proper reserve account							
3	12/31/19	WIP Tri County	02-1000-1800			47,712.33			
3	12/31/19	Tri County Capital Assets	02-7315-8000				47,712.33		
		To move capital that is not completed as identified by Treasurer to WIP							
4	12/31/19	Accounts payable	02-2000-2010				24,912.56		
4	12/31/19	Due from Municipality of West Elgin	02-2000-2100			24,912.56			
5	12/31/19	Tri County Equipment	02-1000-1503			140,276.81			
5	12/31/19	Tri County Capital Assets	02-7315-8000				140,276.81		
		To move capital to balance sheet for PSAB as identified at U.2							
6	12/31/19	AA Tri County Buildings	02-1000-1602				92,779.15		
6	12/31/19	AA Tri County Equipment	02-1000-1603				549,538.59		
6	12/31/19	AA - Tri County Linear Assets	02-1000-1604				19,626.56		
6	12/31/19	Amortization - Tri County	02-7315-9000			661,944.30			
		To post amortization for the year per U.1							
						1,251,241.54	1,251,241.54		

Net Income (Loss) -473,955.16