

TriVillage Regional Sewage Services Commission

Financial Statements

December 31, 2020

TriVillage Regional Sewage Services Commission

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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board

Opinion

We have audited the financial statements of **Tri Village Regional Sewage Services Commission**, which comprise the financial position as at December 31, 2020, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tri Village Regional Sewage Services Commission as at December 31, 2020, the results of its operations and change in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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.

In preparing these financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

INDEPENDENT AUDITOR'S REPORT - continued

We also:

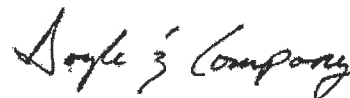
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Allen Lee, CPA, CMA.

Edmonton, Alberta
May 3, 2021



Chartered Professional Accountants

TriVillage Regional Sewage Services Commission

Statement of Financial Position

As at December 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash (Note 3)	1,902,208	1,809,993
Trade and other receivables	6,041	46,944
Long-term investments (Note 4)	-	10
	1,908,249	1,856,947
LIABILITIES		
Accounts payable and accrued liabilities	12,164	268,878
Accrued interest payable	18,808	19,945
Long-term debt (Note 5)	2,976,317	3,112,225
Deferred capital asset contributions (Note 7)	6,664,316	6,877,537
	9,671,605	10,278,585
NET FINANCIAL ASSETS (DEBT)	(7,763,356)	(8,421,638)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	9,881,322	10,130,330
Prepaid expenses	6,421	6,645
	9,887,743	10,136,975
ACCUMULATED SURPLUS (Note 9) (Schedule 1)	2,124,387	1,715,337

Significant Event - Note 12

Approved on behalf of the Commission:



Chairperson



Board Member

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission

Statement of Operations and Changes in Net Assets

For the year ended December 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
REVENUE			
Member Levies			
Service fees charged to commission members	640,215	757,618	734,952
Debenture recognized as revenue	252,720	135,314	135,314
	892,935	892,932	870,266
Interest income	10,000	15,488	34,308
Other	6,000	10,679	7,883
	908,935	919,099	912,457
EXPENSES			
Administrative and general (Schedule 3)	59,970	54,433	50,374
Interest on long-term debt	116,810	115,671	121,010
Operating (Schedule 3)	289,100	288,725	827,935
	465,880	458,829	999,319
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES BEFORE OTHER REVENUE (EXPENSES)			
	443,055	460,270	(86,862)
Amortization of deferred capital asset contributions	238,560	214,269	181,964
Amortization of tangible capital assets	(301,555)	(265,489)	(238,317)
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES			
	380,060	409,050	(143,215)
ACCUMULATED SURPLUS, BEGINNING OF YEAR			
		1,715,337	1,858,552
ACCUMULATED SURPLUS, END OF YEAR			
		2,124,387	1,715,337

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission

Statement of Changes in Net Financial Assets (Debt)

For the year ended December 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
EXCESS (SHORTFALL) OF REVENUES OVER EXPENSES	443,055	409,050	(143,215)
Acquisition of tangible capital assets	-	(16,480)	(2,596,873)
Amortization of tangible capital assets	301,555	265,489	238,317
	301,555	249,009	(2,358,556)
Use of prepaid assets	-	223	384
DECREASE (INCREASE) IN NET DEBT	744,610	658,282	(2,501,387)
NET FINANCIAL ASSETS (DEBT), BEGINNING OF YEAR		(8,421,638)	(5,920,251)
NET FINANCIAL ASSETS (DEBT), END OF YEAR		(7,763,356)	(8,421,638)

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission

Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
Excess (shortfall) of revenues over expenses	409,050	(143,215)
Non-cash items included in excess (shortfall) of revenues over expenses:		
Amortization of tangible capital assets	265,489	238,317
Amortization of deferred capital asset contributions	(214,269)	(181,964)
Non-cash charges to operations (net change):		
Decrease (increase) in trade and other receivables	40,903	(29,487)
Decrease (increase) in prepaid expenses	234	383
Increase (decrease) in accounts payable and accrued liabilities	(256,714)	263,710
Increase (decrease) in accrued interest payable	(1,137)	(1,088)
Cash provided by operating transactions	243,556	146,656
CAPITAL		
Acquisition of tangible capital assets	(16,480)	(2,596,873)
FINANCING		
Principal payment on long-term debt	(135,908)	(130,617)
Interest earned on deferred capital asset contributions	1,047	10,346
Cash provided by (applied to) financing transactions	(134,861)	(120,271)
CHANGE IN CASH DURING THE YEAR	92,215	(2,570,488)
CASH, BEGINNING OF YEAR	1,809,993	4,380,481
CASH, END OF YEAR	1,902,208	1,809,993

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission
Schedule of Changes in Accumulated Surplus - Schedule 1
For the year ended December 31, 2020

	Unrestricted Surplus \$	Restricted Surplus \$	Equity in Tangible Capital Assets \$	2020 \$	2019 \$
BALANCE, BEGINNING OF YEAR	42,321	1,532,447	140,569	1,715,337	1,858,552
Excess (deficiency) of revenue over expenses	409,050	-	-	409,050	(143,215)
Unrestricted funds transferred capital replacement	(50,000)	50,000	-	-	-
Unrestricted funds to Sewer revitalization	(257,145)	257,145	-	-	-
Current years funds used for tangible capital assets	(16,480)	-	16,480	-	-
Interest earned on deferred capital asset contributions	1,047	-	(1,047)	-	-
Annual amortization expenses	265,489	-	(265,489)	-	-
Principal payment of long-term debt	(135,908)	-	135,908	-	-
Amortization of deferred capital asset contribution	(214,269)	-	214,269	-	-
Change in accumulated surplus	1,784	307,145	100,121	409,050	(143,215)
BALANCE, END OF YEAR	44,105	1,839,592	240,690	2,124,387	1,715,337

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission

Schedule of Tangible Capital Assets - Schedule 2

For the year ended December 31, 2020

	Buildings	Engineered Structures Original	Engineered Structures New	Equipment	Sewage Lagoon	2020	2019
	\$	\$	\$	\$	\$	\$	\$
COST:							
Balance, Beginning of Year	403,691	4,852,673	9,256,498	444,436	153,635	15,110,933	12,514,060
Acquisition of tangible capital assets	-	-	16,480	-	-	16,480	2,596,873
Balance, End of Year	403,691	4,852,673	9,272,978	444,436	153,635	15,127,413	15,110,933
ACCUMULATED AMORTIZATION:							
Balance, Beginning of Year	225,688	2,907,856	1,313,969	437,498	95,592	4,980,603	4,742,286
Annual amortization	8,073	77,793	175,653	555	3,414	265,488	238,317
Balance, End of Year	233,761	2,985,649	1,489,622	438,053	99,006	5,246,091	4,980,603
NET BOOK VALUE	169,930	1,867,024	7,783,356	6,383	54,629	9,881,322	10,130,330
 2019 NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	 178,003	 1,944,817	 7,942,529	 6,938	 58,043	 	 10,130,330

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission

Schedule of Operating and Administrative and

General Expenses - Schedule 3

For the year ended December 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
Administrative and General			
Advertising and promotion	800	-	260
Audit	14,550	10,598	4,660
Contracted management services	27,720	27,720	27,720
Contracted office services	7,800	7,800	7,800
Honoraria	6,400	5,635	7,090
Bank charges and interest	-	-	240
Memberships	200	195	195
Office	500	496	435
Salaries, wages and benefits	2,000	1,989	1,974
	59,970	54,433	50,374
Operating			
Insurance	8,600	7,933	8,358
Maintenance contract	93,500	91,050	109,000
Professional development	2,500	-	380
Repairs and maintenance	87,000	119,792	117,190
Repairs - line breaks	50,000	25,725	549,113
Travel	800	-	-
Utilities and telephone	46,700	44,225	43,894
	289,100	288,725	827,935

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission

Schedule of Expenditures by Object - Schedule 4

For the year ended December 31, 2020

	2020 Budget (Unaudited) \$	2020 Actual \$	2019 Actual \$
EXPENSES BY OBJECT			
Salaries, wages and benefits	8,400	7,624	9,064
Contracted and general services	291,970	290,432	825,111
Materials, goods, and utilities	48,700	45,103	43,894
Bank charges and interest	-	-	240
Interest on long-term debt	116,810	115,671	121,010
Amortization of tangible capital assets	301,555	265,489	238,317
	767,435	724,319	1,237,636

The accompanying notes form part of these financial statements

TriVillage Regional Sewage Services Commission

Notes to the Financial Statements

December 31, 2020

Nature of the Commission

The Tri Village Regional Sewer Services Commission is constituted under the Municipal Government Act and was approved by the Minister of Municipal Affairs on March 22, 1990, for the purpose of constructing, maintaining, controlling, and managing a sanitary sewage transmission and treatment facility to serve their respective municipalities.

The members of the Commission are Alberta Beach, Summer Village of Val Quentin, and Summer Village of Sunset Point.

The Commission is exempt from income taxation under Section 149 of the Canadian Income Tax Act.

The financial statements reflect the assets, liabilities, revenues and expenses, and change in financial position of the Commission. Significant aspects of the accounting policies adopted by the Commission are as follows:

1. SIGNIFICANT ACCOUNTING POLICES

(a) Basis of Presentation

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards recommended for governments by the Public Sector Accounting Board.

(b) Budget Amounts

The budget amounts presented on the statement of operations are taken from the commission's annual budget prepared in February 2020. Certain budget amounts have been reclassified to conform to the current year's financial statement presentation.

(c) Cash

Cash consist of cash on deposit in a Canadian financial institution.

(d) Revenue Recognition

Service fees and sales of goods are recognized as revenue in the period in which the service is delivered or in which the transactions or events occurred that gave rise to the revenue.

The Commission follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions specified for capital purposes are recorded as deferred capital asset contributions. These deferred contributions are recognized as revenue equal to the amount of the amortization of the assets.

(e) Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution.

Tangible capital assets are amortized on a straight-line basis over the follows periods:

Buildings	50 years
Engineering structures	45 years
Equipment	20 years
Sewage lagoon	45 years

TriVillage Regional Sewage Services Commission

Notes to the Financial Statements

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICES - continued

(f) Investments

Investments are recorded at cost. Where there has been a loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(g) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where estimates exist, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(h) Financial Instrument

(i) Measurement of financial instruments

Tri Village Regional Sewage Services Commission initially measures all of its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

Tri Village Regional Sewage Services Commission subsequently measures all of its financial assets and liabilities at amortized cost, except in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, trade and other receivables and long term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, accrued interest payable and long-term debt.

(ii) Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would be reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

(i) Reserves for Future Expenditures

Reserves are established at the discretion of the Board to set aside funds for future operating or capital expenditures. Transfers to and/or reserves are reflected as adjustments to the respective fund.

2. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

TriVillage Regional Sewage Services Commission

Notes to the Financial Statements

December 31, 2020

3. CASH

	2020	2019
	\$	\$
Cash	1,902,208	1,809,993

The Board has designated funds of \$451,562 (2019 - \$401,562) for capital replacement and \$1,388,030 (2019 - \$1,130,885) for sewer revitalization. The total designated funds is \$1,839,592 (2019 - \$1,532,447).

4. INVESTMENTS

	2020	2019
	\$	\$
Shares - Alberta Municipal Financing Corporation - at cost	-	10

5. LONG-TERM DEBT

	2020	2019
	\$	\$
Alberta Capital Financing Authority		
Debenture payable at \$67,656 on March 15 and September 15, of each year including interest at 4.59%, matures March 15, 2032.	1,198,651	1,276,264
Debenture payable at \$58,701 on June 15 and December 15 of each year including interest at 3.245%, matures December 15, 2041.	1,777,666	1,835,961
	2,976,317	3,112,225
Less: current portion	141,419	135,908
Long-term portion	2,834,898	2,976,317

The debentures are secured by the tangible capital assets of the Commission as well as borrowing By-laws passed by the member municipalities. Interest on long-term debt amounted to \$115,671 (2019 - \$121,010).

Principal and interest payments are as follows:

	Principal	Interest	Total
	\$	\$	\$
2021	141,419	111,297	252,716
2022	147,159	105,558	252,716
2023	153,138	99,578	252,716
2024	159,368	93,348	252,716
2025	165,857	86,859	252,716
Thereafter	2,209,376	548,612	2,757,988
	2,976,317	1,045,252	4,021,568

TriVillage Regional Sewage Services Commission

Notes to the Financial Statements

December 31, 2020

6. DEBT LIMIT

Section 3 of the Alberta Regulation No. 76/2000 requires that debt and debt limits for the commission be disclosed as follows:

	2020 \$	2019 \$
Total Debt Limit	2,266,736	2,188,842
Total Debt	(2,976,317)	(3,112,225)
Amount of debt over the debt limit	(709,581)	(923,383)
Debt Service Limit	396,679	383,047
Debt Service	(252,716)	(252,714)
Amount of debt servicing limit unused	143,963	130,333

The debt limit is calculated at 2 times revenue of the commission (as defined in Alberta Regulation 76/2000) and the debt service limit is calculated at 0.35 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify commissions that could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the Commission. Rather, the financial statements must be interpreted as a whole.

7. DEFERRED CAPITAL ASSET CONTRIBUTIONS

	2020 \$	2019 \$
Balance, beginning of year	6,877,537	7,049,155
Addition	1,047	10,346
Amounts amortized to revenue	(214,269)	(181,964)
Balance, end of year	6,664,315	6,877,537

Deferred capital asset contributions represent restricted government grants that were provided to assist in the construction of the Commission's tangible capital assets upgrades.

8. EQUITY IN TANGIBLE CAPITAL ASSETS

	2020 \$	2019 \$
Tangible capital assets	15,127,413	15,110,932
Accumulated amortization	(5,246,090)	(4,980,602)
Long-term debt	(2,976,317)	(3,112,225)
Deferred capital asset contributions	(6,664,315)	(6,877,537)
	240,691	140,568

TriVillage Regional Sewage Services Commission

Notes to the Financial Statements

December 31, 2020

9. ACCUMULATED SURPLUS

	2020 \$	2019 \$
Unrestricted surplus	44,104	42,322
Restricted surplus:		
Capital Replacement	451,562	401,562
Sewer Revitalization	1,388,030	1,130,885
Equity in tangible capital assets	240,691	140,568
	2,124,387	1,715,337

10. RELATED PARTY TRANSACTIONS

Alberta Beach, Summer Village of Val Quentin and the Summer Village of Sunset Point are members of the Commission and, as such, have been identified as related.

Service fees are based on the budgeted net operating and replacement reserve costs of the Commission and are allocated among the commission members based on an agreed upon percentage.

Amounts due from commission members are payable on receipt of the invoice. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Included in revenue were amounts received from Commission member municipalities as follows:

	2020			2019	
	Alberta Beach \$	Summer Village of Val Quentin \$	Summer Village of Sunset Point \$	Total \$	Total \$
Service fees	245,700	56,100	72,750	374,550	364,450
Debentures	85,826	17,640	31,848	135,314	135,314
Sewer revitalization	245,700	72,750	56,100	374,550	370,500
	577,226	146,490	160,698	884,414	870,264

11. FINANCIAL INSTRUMENTS

Credit Risk

Tri Village Regional Sewer Services Commission is subject to credit risk with respect to accounts receivables. Credit risk arises from the possibility that clients the Commission provided services to may experience financial difficulty and be unable to fulfil their obligations. The larger receivable is from the federal government for the Goods and Services Tax refund claimed. The credit risk of the federal government is minimal.

Interest Rate Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rate. The Commission is exposed to interest rate risk on its bank account balances and long-term debt. The interest rate risk on the long-term debt is minimized as the interest rate is fixed for the loan.

TriVillage Regional Sewage Services Commission

Notes to the Financial Statements

December 31, 2020

11. FINANCIAL INSTRUMENTS - continued

Liquidity Risk

Liquidity risk is the risk that Tri Village Regional Sewer Services Commission will encounter difficulty in meeting its obligations associated with financial liabilities. Tri Village Regional Sewer Services Commission manages its liquidity risk by monitoring its operating requirements and cash forecasts to ensure it has sufficient funds to fulfil its financial obligations.

12. SIGNIFICANT EVENT

As of the date of the financial statements, there is a global outbreak of COVID-19 (coronavirus) which was declared a pandemic by the World Health Organization. This has an impact on municipal government operations through the restrictions put in place by the Canadian and provincial governments as well as the Alberta Health Services regarding travel, isolation/quarantine orders, closure of municipal facilities, cancellation or postponement of programs, and deferral of property tax and utility payments. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the TriVillage Regional Sewage Services Commission as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the virus, and the duration of the outbreak, including the duration of facility closures, program and service disruptions, and isolation/quarantine measures that are currently or maybe put in place by Canada and other countries to fight the virus.

13. ECONOMIC DEPENDENCE

The Commission is economically dependent upon the three participating member municipalities.

14. APPROVAL OF FINANCIAL STATEMENTS

The Board and Management have approved these financial statements.

DOYLE & COMPANY
CHARTERED PROFESSIONAL
ACCOUNTANTS

Allan J. Grykuliak, CPA, CA*
Scott T. Mockford, CPA, CA*
Allen Lee, CPA, CMA*
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May 12, 2021

**TRI VILLAGE REGIONAL SEWER
SERVICES COMMISSION**

Box 277
ALBERTA BEACH, Alberta T0E 0A0

Attention: Mr. Dennis Evans, Manager

Dear Mr. Evans:

Re: December 31, 2020 fiscal year-end

We are pleased to enclose the following:

FINANCIAL STATEMENTS

One electronic copy, for your use, of the audited financial statements for the year ended December 31, 2020.

Please satisfy yourself as to the accuracy and completeness of the information in the financial statements. Destroy all previous "Draft" copies of the financial statements issued by our office, to ensure that there are not two different versions in circulation.

We have submitted a copy of the audited financial statements to Alberta Municipal Affairs on your behalf.

OTHER MATTERS

We are also enclosing the following:

1. One electronic copy of the Municipal Financial Information Return for the year ended December 31, 2020 to be retained in your files. A copy of this return has been submitted to Alberta Municipal Affairs on your behalf.
2. The original "Statement of Financial Position" for signature by a Chairperson and a Board Member. **Please return this page to our office once it has been signed.**

Page 2

**TRI VILLAGE REGIONAL SEWER
SERVICES COMMISSION**

May 12, 2021

3. One electronic copy of the Oversight Report Letter.
4. One electronic copy of our management recommendation letter.
5. Two electronic copies of the management representation letter. The copy in the "Client Copy Documents" folder is to be retained in your files. **Please sign the copy in the "Documents to be Signed" folder and email it back to our office.**
6. One copy of the trial balance and two copies of the adjusting journal entries. The copy marked "Client Copy" to be retained in your files. **Please signify your approval of the journal entries by signing the one located in the "Documents to be Signed" folder where indicated and email it back to our office.**
7. Our Invoice No. 23911 the amount of \$3,990.00 for auditing services rendered.

Should you have any questions regarding the foregoing, please do not hesitate to contact our office.

Yours truly,

DOYLE & COMPANY



Allen Lee, CPA, CMA
AL/bb

Enclosures

TRI VILLAGE REGIONAL SEWER SERVICES COMMISSION

Box 277

ALBERTA BEACH, Alberta T8N 6Y5

May 3, 2021

DOYLE & COMPANY
Chartered Accountants
11210 – 107 Avenue NW 2nd Floor
EDMONTON, Alberta T5H 0Y1

Dear Sirs:

This representation letter is provided in connection with your audit of the financial statements of the Tri Village Regional Sewer Services Commission for the year ended December 31, 2020 for the purpose of expressing an opinion as to whether the financial information is presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

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 Information

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 15, 2020 for the financial information in accordance with Canadian Public Sector Accounting Standards; 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 the requirements Canadian Public Sector Accounting Standards.
- All events subsequent to the date of the financial information and for which Canadian Public Sector Accounting Standards 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 information as a whole.

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 information 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 information.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial information communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
- We have disclosed to your all known actual or possible litigation and claims whose effects should be considered when preparing the 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.
- We acknowledge our responsibility for design, implementation and maintenance of internal control to prevent and detect fraud.

Yours very truly,

TRI VILLAGE REGIONAL SEWER SERVICES COMMISSION


Dennis Evans
DE/bb

APPROVED BY

TriVillage Regional Sewage Services Commission

Year End: December 31, 2020

Adjusting Journal Entries

Date: 01/01/2020 To 31/12/2020

SIGNED *Shaw*

DATE 5/14/21

Prepared by	Reviewed by
GR 20/04/2021	AL 30/04/2021

AJ

Number	Date	Name	Account No	Reference Annotation	Debit	Credit	Recurrence	Misstatement
1	31/12/2020	EQUITY IN CAPITAL ASSETS	3470			1,490,238.91		
1	31/12/2020	RETAINED EARNINGS	3500		1,490,238.91			
To adjust the equity in capital assets as the equity in the assets is recognized over time as the principal payments, deferred capital contributions are recognized as well as the amortization and any additions during the year.								
2	31/12/2020	EQUITY IN CAPITAL ASSETS	3470			16,480.00		
2	31/12/2020	RETAINED EARNINGS	3500		16,480.00			
To adjust equity in capital assets for the addition of \$16,480.00								
3	31/12/2020	EQUITY IN CAPITAL ASSETS	3470		1,046.91			
3	31/12/2020	RETAINED EARNINGS	3500			1,046.91		
To adjust the equity in capital assets by the interest earned.								
					1,507,765.82	1,507,765.82		
Net Income (Loss)			409,050.06					

