

March 12, 2018

Summer Village of Ross Haven  
Box 70, Site 19, RR 1  
Gunn Alberta T0E 1A0

Attention: Mr. Larry Horncastle, CAO

Dear Mr. Horncastle:

Re: Audit Findings

This letter has been prepared to assist you with your review of the financial statements of Summer Village of Ross Haven for the year ended December 31, 2017. We look forward to meeting with you and discussing the matters outlined below.

### **Significant Financial Statement Disclosures**

We did not identify any financial statement disclosures that are particularly significant, sensitive or require significant judgments, that we believe should be specifically drawn to your attention.

### **Uncorrected Misstatements**

We accumulated uncorrected misstatements that we identified during our audit and communicated them to management. We then requested that management correct these misstatements.

All uncorrected misstatements for the current period have been corrected with the exception of the following:

See separate listing of the uncorrected misstatements. The reason these were not corrected was they were not considered material.

### **Significant Deficiencies in Internal Control**

A deficiency in internal control exists when a control is designed, implemented or operated in such a way that it is unable to prevent or detect and correct misstatements in the financial statements on a timely basis, or when a control necessary to prevent or detect and correct misstatements in the financial statements on a timely basis is missing.

A significant deficiency in internal control is defined as a deficiency or combination of deficiencies internal control that, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

To identify and assess the risks of material misstatement in the financial statements, we are required to obtain an understanding of internal control relevant to the audit. This understanding is used for the limited purpose of designing appropriate audit procedures. It is not used for the purpose of expressing an opinion on the effectiveness of internal control and, as a result, we do not express any such opinion. The limited purpose also means that there can be no assurance that all significant deficiencies in internal control or any other control deficiencies will be identified during our audit.

We did not identify any control deficiencies that, in our judgment, would be considered significant deficiencies, apart from those outlined below:

Nature of Deficiency, Implications and Recommendation

- Due to the nature of the Summer Village of Ross Haven and its staffing, it is not always possible to achieve a complete segregation of duties. Under ideal conditions and where sufficient staff are available, internal control is greatly enhanced by the segregation of duties so that employees do not control funds and also record or report the receipt or disposition of these same funds. To the extent possible the Summer Village of Ross Haven staff have achieved an adequate level of segregation given the size of the office and staff members available.

Although we do not have any specific concerns regarding internal controls, it is also necessary as an auditor to rely on the members of council to take an active role in the management and control of the association through their ongoing supervision. In addition, responsibility for the accuracy and completeness of the financial statements ultimately rests with members of council.

### **Written Representations**

In a separate communication, as attached, we have requested a number of written representations from management in respect to their responsibility for the preparation of the financial statements in accordance with Canadian public sector accounting standards.

### **Other Audit Matters of Governance Interest**

We did not identify any other matters to bring to your attention at this time.

We would like to thank management and staff for the assistance they provided to us during the audit. We hope the information in this audit findings letter will be useful. We would be pleased to discuss them with you and respond to any questions you may have.

This communication is prepared solely for the information of management and council and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

We trust you will implement our recommendations; however, should you require further clarification or information, please contact the undersigned.

Yours truly,

*Seniuk & Company*

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