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April 27, 2020

Mr. Robert Haller, Executive Director
Canadian Water and Wastewater Association
11-1010 Polytek Street
Ottawa, ON K1J 9H9

Dear Mr. Haller:

**Re: Canadian Water and Wastewater Association
Audit of financial statements for the year ended December 31, 2019**

We have substantially completed our audit of the financial statements of Canadian Water and Wastewater Association ("the Association") for the year ended December 31, 2019 and, pending resolution of outstanding items outlined below, we propose to issue an unqualified audit report on those financial statements.

This letter has been provided as part of our communications with the Board of Directors in accordance with Canadian Auditing Standard 260 of the CPA Canada Handbook - Accounting (Handbook), "Communications with Those Charged with Governance."

This letter is intended to summarize aspects of the audit which we believe are of interest to the Board of Directors and should be read in conjunction with the draft financial statements (attached) and our discussion thereof.

Independence

We are required to communicate in a letter to the Board of Directors at least annually on matters relating to our independence. This letter was provided with the terms of the engagement, before the commencement of our audit work.

Status of the Audit

We have substantially completed our audit of the 2019 financial statements. Our audit report will be issued once we receive and have completed our audit work on the outstanding items below:

Outstanding Item	Status as of April 27, 2020
Receipt of signed management representation letter (to be provided upon financial statement approval)	Outstanding
Approval of the financial statements by the Board of Directors	Outstanding
Receipt of the internal balance sheet and income statement up to the date of financial statement approval	Outstanding

We confirm that:

- We are not aware of the following:
 - Changes in significant accounting policies;
 - Significant or unusual transactions; and
 - Illegal or possibly illegal acts.
- No difficulties were encountered in performing the audit.
- No limitations were placed on the scope of our audit.
- We received full cooperation from management and there were no disagreements with management.
- Management did not have any consultation with other accountants on significant matters of which we are aware.
- Management's estimates were reasonable.
- Related party transactions were in the normal course of operations.

- We are not aware of Canadian Water and Wastewater Association publishing or reproducing in any document our report on Canadian Water and Wastewater Association's financial statements, or otherwise making reference to our firm in a document that contains other information in addition to the audited financial statements, thereby associating our firm with such documents.

Materiality and Unadjusted Items

For the year ended December 31, 2019, materiality was set at \$20,000 (2018: \$20,000), which represents approximately 2% of revenue.

All differences noted during the audit were accumulated and discussed with management, to determine if adjustments were required to the financial statements.

Summary of Unadjusted and Adjusted Items

Our responsibility is to issue an opinion as to whether the financial statements are free of material misstatement.

As a result of our audit, we identified certain items and have discussed these with management.

There were no required adjustments identified through the audit procedures performed.

Internal Control Evaluation and Recommendations

Professional standards require the auditor to communicate to management and the Board of Directors significant weakness in the design or operation of internal controls identified during the audit.

We consider the Association's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. The main purpose of our systems review was to assist in determining the nature, extent and timing of our audit test and to establish the degree of reliance which we could place on selected controls; it was not to determine whether internal controls were adequate for management's purposes.

We do, however, discuss our observations and recommendations with management during the course of our audit and at this time there are no items we wish to bring to your attention.

Fraud and Error

The profession requires that we perform specific audit procedures around fraud and error. The objective of these procedures is as follows:

- To identify any fraud or error risk factors that may increase the risk that the financial statements could be materially misstated; and
- To address any factors identified in a manner sufficient to obtain reasonable assurance that the financial statements are free from any material misstatements arising from fraud or error.

Based upon the procedures performed, we are satisfied with the process in place to detect and prevent fraud and error in the context of the financial statements.

No instances have arisen which have caused us to question the competence or integrity of the management function with respect to the financial reporting process. No fraud involving senior management, employees with a significant role in internal control, or that would cause a material misstatement of the financial statements came to our attention as a result of our audit procedures.

Management Estimates

Our audit approach includes a review of those areas involving management judgments and estimates.

Significant estimates made by management are as follows:

- Useful life of capital assets; and
- Completeness of accounts receivable and accounts payable and accrued liabilities.

All significant estimates made by management were reviewed for the current year and no material errors were noted. The methodologies and processes used by management were consistent with those employed in the prior year.

We will work with management and the Board to address any new requirements identified that relate to your organization.

As we revise our communications with you, we welcome your input and are interested to receive your feedback on the effectiveness of our communications and will attempt to address any matters you feel are unclear, for which you would like additional information.

Yours very truly,

A handwritten signature in black ink, appearing to read "M. Fraser", written in a cursive style.

Marie Fraser, CPA, CA, CFP

MF/AR/mc
Attachments