

Message

From: Cindy Shuttleworth [/O=EXCHANGELABS/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=9146918A356C4BB8BA17E43D0AAC308C-CINDY SHUTT]
Sent: 3/26/2012 10:54:07 PM
To: [REDACTED]
Subject: Re: Town, PUC and Collus Audit

I have been working like a dog for two months. Not much to envy.
Well then again I did get 15,000 on thursday for my work closing the powerstream deal. Paid off my car in full. :)
Shhhhh. Secret.

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Sent from Blackberry Mobile Device

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**From:** [REDACTED]  
**Sent:** Monday, March 26, 2012 10:50 PM  
**To:** Cindy Shuttleworth  
**Subject:** RE: Town, PUC and Collus Audit

Ok thanks Cindy. I'll await your email. ☺

Go get some sleep - you've got another 7 hour work day ahead of you! (sorry, some envy might be showing through...)

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**From:** Cindy Shuttleworth [mailto:cshuttleworth@collus.com]  
**Sent:** Monday, March 26, 2012 10:43 PM  
**To:** [REDACTED]  
**Subject:** Re: Town, PUC and Collus Audit

You are up late, as usual.

Yes this week finally will be back to a normal pace. I just finished with the auditors on friday.

I think a meeting with Ed is a great idea. It is possible powerstream may suggest their auditors, but for the most part they aren't expected to have much involvement the first two years. I found out more about why ed is unhappy with gavillers and it has to do with ralph strongly expressing his opposition to the share purchase. Ed feels as our auditor it was not his business to make such comments in meetings he was invited to for the purposes of just being in the loop to what was happening.

I'm going with ed to powerstream on thursday and will have time to talk to him on the drive. He has asked me to recommend an auditor at least twice now. I think he will really like you and he knows darrin a bit too. I'd like him to see lorenzo and sarah, etc to see they quality of the people at BDO.

I'm falling asleep and the typing must be getting bad. Ill email you friday with a possible time/date for May. There are

many reasons why staying local makes sense. I think I can get them to sway the BDO way.

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Sent from Blackberry Mobile Device

From: [REDACTED]
Sent: Monday, March 26, 2012 10:30 PM
To: Cindy Shuttleworth
Cc: [REDACTED]
Subject: RE: Town, PUC and Collus Audit

Hi Cindy,

So, I understand that Tim is back and hopefully things have evened out a bit over there.

Recently, the Collingwood office joined forces with Owen Sound and Wiarton to become a "group". This doesn't change a lot of the day to day workings, but it does allow us the opportunity to share staff in a much more seamless fashion. I have talked to their managing partner because they have a strong complement of municipal work over there and they could share some experienced staff to help with the Town of Collingwood engagement should it become available.

This puts us in an even stronger position to be able to offer our services for both the utility and the town, although I do have to say that we still think there is a good chance that PowerStream would involve their own auditors.

Given the time of year, and the window of time before your upcoming audit, can we suggest a meeting with Ed in May?

Thanks Cindy. Hope you are doing well and enjoying 9-5 with lunch and coffee breaks. ☺



From: Cindy Shuttleworth [mailto:cshuttleworth@collus.com]
Sent: Sunday, February 26, 2012 12:52 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Town, PUC and Collus Audit

Hi Heather;

I have inserted answers below.

From: [REDACTED]
Sent: Sunday, February 26, 2012 12:06 PM
To: Cindy Shuttleworth

Cc: [REDACTED]

Subject: RE: Town, PUC and Collus Audit

Hi Cindy,

Thank you for keeping us informed on this. I have a few questions that perhaps you can answer:

- Have you considered the impact of changing auditors when you have a change in accounting framework? There will be additional costs due to requirements to audit previous figures. We think a National firm is important to have because we are moving to a more complex accounting framework(IFRS). Even though the costs will be higher to audit the 2011 previous figures, we think this is justified.
- Have you undergone any planning work regarding IFRS or hired an external IFRS consultant? We have BDO solutions as consultants for our IFRS conversion - the same as Midland and Parry Sound. [REDACTED] - we are in constant communication with them. The hard part is going to be actually getting the final Property, plant and equipment amounts set up in a new capital asset subledger. Also, tracking the poles, O/H, U/G assets that are removed during projects and maintenance is a process we need to get working.
- Are the Town and the PUC going to put forth a Request for Proposal for their audit services? For us, Ed is asking me who I want. I imagine an RFP is required, but I'll have to check our internal rules on that. The town (if they decide to leave) for sure will give a RFP. However, I feel if we go to a new auditor they will follow. I am close to the accountants at the town and see the Mayor a lot in my board meetings. I have some strong sway.
- Is there any specific reason for not wanting to continue with Gaviller's? What aspects of BDO have been identified as being important to the Town and PUC?

Ed is not too fond of Ralph Neate because he finds the presentation at the annual general meeting by him poor. I also have given my input on the quality of the financial statements and I feel they are significantly lacking. Gavillers is too comfortable that they will always have us, and not trying at all to keep us as clients. (Taken for granted syndrome).

Ed wants our AGM to be professional and a great presentation by our auditors because our (almost) new shareholder PowerStream is going to be expecting more than Gaviller's brings to the table.

The management letter from Gaviller's has provided no significant insight to the board or management for areas to improve in past years. The management letter is important to them.

We have many areas to improve here and many manual processes to be automated and stream lined. I am working on that.

As a side point....since I have been an auditor for so long, I think this is a job you can make good money on. There is no travel or meals and I promise to have really good working papers for you and give the staff the attention they need to complete the audit.

And yes I am working on a Sunday. And Oh I was here from 1pm yesterday afternoon til 12:30 last night. ☹️ I don't know if you heard but Tim is on a leave of absence (that I hope ends soon)

Thanks for your response. I'd love to set up an informal meeting with Ed just to give an introduction to BDO Collingwood. Nothing real intense, just meet and feel each other out for needs and compatibility.

See.... I may make you more money on the outside than the inside!!!

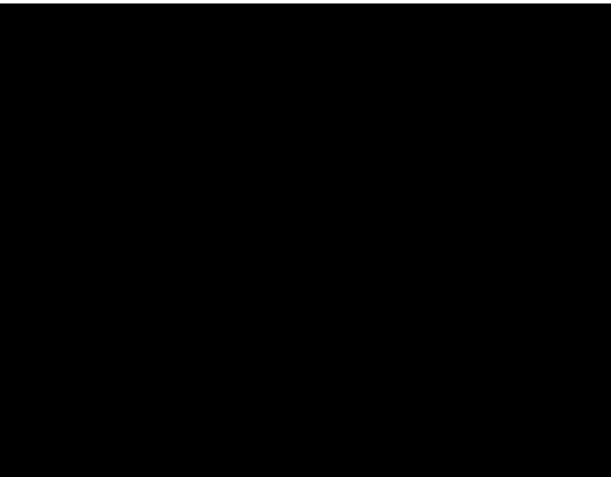
Miss you tons...Cindy

We would be quite happy to chat with Ed as well if you think we could informally conclude on whether our two organizations are a good fit for each other.

I have not copied [REDACTED] on this as he has officially retired now, off into the sunset.....brand new grandchild this month as well, so he is really enjoying his freedom.

Oh, and regarding the "expert" comment, I spent a lot of years running municipal and other public sector audits and have a soft spot for them, but would be remiss to ever claim that kind of status.

Thanks again Cindy,



From: Cindy Shuttleworth [<mailto:cshuttleworth@collus.com>]

Sent: Friday, February 24, 2012 12:48 PM

To: [REDACTED]

Subject: Town, PUC and Collus Audit

Hi Guys;

Collus and PUC are definitely not using Gavillers for 2012. Ed just confirmed that with me. I have been asked to make a recommendation for an auditor. Previously, I mentioned to Darrin this may be happening.

The Town also, is really thinking they are leaving Gavillers too. They are not happy.

I know you guys are really busy.
And maybe you don't even want all this work.
Heather is a municipal expert? I seem to recall that??

I have 5 companies here:

- Collus Power – main hydro company - IFRS
- Collus Solutions – holds shared employees for water and power- IFRS
- Collus Energy – inactive - IFRS
- Collingwood Utility Services – Holding Company – IFRS
- Collingwood Public Utilities Service Board – Water services – PSAB

And then the town would be PSAB too.

Of course I want you guys to have first shot.
I just need to know if you even want it?

Cindy

Cindy Lee Shuttleworth, BAccS, CGA
Financial Controller

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