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Grand Bend, Ontario
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Vodden, Bender & Seebach
Chartered Professional Accountants
Box 758, 41 Ontario Street
Clinton, Ontario
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Ladies and Gentlemen:

It is my understanding that a municipal audit must review all financial positions of the municipality and report any and all discrepancies to the municipal staff and to council. These findings will include all financial positions held in contractual relationships.

In other words, it is the municipal auditor's duty and obligation to report all matters that affect the financial position of the said municipality. Regardless of whether that position is better or worse than the council or staff believe it to be.

While I was getting ready for this evening's meeting I reviewed the financial statements for 2016 and 2017. I did not go back further as it appears obvious that they will all be lacking a copy of an audited statement for the Grand Bend Sanitary Sewer System (GBSSS) as required by the contract to which South Huron is a party.

This is important in my opinion since this contract has a book value of about \$18,000,000.

While I am neither a lawyer or an accountant it is belief based on the research that I have conducted over the past number of years that

there has been a substantial amount of funds have been moved from the GBSSS to other uses within Lambton Shores. This is contrary to Chapter 27 of the Revised Statutes of Ontario (RSOs) as well as Section 332, ss (1) of the Criminal Code, Revised Statutes of Canada (RSCs) 1985 Chapter 46.

As the municipality's appointed auditors would it be prudent to withdraw the presentation of this financial document until you have the opportunity to review your work in light of this revelation?

It is my belief based on the municipal financial documents of the Municipality of Lambton Shores that funds have been removed from the GBSSS to the detriment of the GBSSS users in South Huron and the Grand Bend users in Lambton Shores.

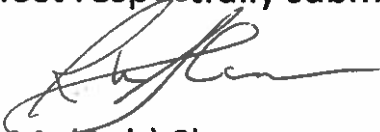
Your action is of course up to you as Chartered Professional Accountants.

I will share the information that I have with you. I will ensure that my position is safe by having my attorney in attendance at any meetings I have with you or any other person representing the municipality.

I have only touched on my concerns in the briefest of ways.

Thank you for your consideration of these concerns.

Most respectfully submitted.

A handwritten signature in black ink, appearing to read 'R.M. Sharen', with a stylized flourish at the end.

R.M. (Bob) Sharen

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