

December 16, 2024

Leduc County  
1101 - 5th Street  
Nisku Alberta T9E 2X3

Attention: Tanni Doblanko, Mayor

Dear Madam:

**Re: Engagement letter**

Metrix Group LLP are pleased to serve as auditor's for Leduc County for the fiscal year ending December 31, 2024. The purpose of this letter is to outline the terms of our engagement to audit the financial statements of Leduc County which comprise the statement of financial position as at December 31, 2024, and the statements of operations and accumulated surplus, statement of change in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information. Curtis Friesen will be responsible for the services that Metrix Group LLP performs for Leduc County.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

**Our Responsibilities**

We will conduct our audit of Leduc County in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.



## **Use and Distribution of Our Report**

The examination of the financial statements and the issuance of our audit opinion are solely for the use of Leduc County and those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these financial statements and we accept no responsibility for their use by any third party.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us.

## **Reproduction of Auditor's Engagement Report**

If reproduction or publication of our audit report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.

## **Preparation of Schedules**

We understand that management will prepare certain schedules and will locate the various documents for our use throughout the audit.

This assistance will facilitate our work and help to minimize our costs. Any failure to provide these working papers or documents on a timely basis may impede our services and require us to suspend our services or withdraw from the engagement.

## **Working Papers**

The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our Firm, constitute confidential information and will be retained by us in accordance with our Firm's policies and procedures.

## **File Inspections**

In accordance with professional regulations (and by our Firm's policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to professional and Firm standards. File reviewers are required to maintain confidentiality of client information.

## **Fees**

Our fees for the audit of Leduc County will be \$37,000 plus GST. This fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered.

If significant additional time is necessary, we will discuss the reasons with you and agree on a revised fee estimate before we incur the additional costs.

Fees will be rendered as work progresses and are payable on presentation.

## **Use of Information**

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagement. Our services are provided on the basis that:

- you represent to us that management has obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and
- we will hold all personal information in compliance with our Privacy Statement.

## **Communications**

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and e-mail transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; or disclosure or communication of confidential or proprietary information.

## **Confidentiality**

We will maintain the strictest confidence with respect to any client's or former client's information. Accordingly, your confidential information will not, without your consent, be disclosed to any individuals in our Firm beyond those who are engaged on your services. This policy applies to anyone outside the Firm, except as required by law or under the profession's Rules of Professional Conduct.

## **Management's Responsibilities**

Our audit will be conducted on the basis that management acknowledges and understand that they have responsibility for:

- a) the preparation and fair presentation of the financial statements in accordance with the Canadian public sector accounting standards;
- b) 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; and
- c) providing us with:
  - i) unrestricted access to persons within the entity from whom we determine it is necessary to make inquiries;
  - ii) access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters; and
  - iii) additional information that we may request from management for the purpose of the audit.

As part of our audit process, we will request from management and, those charged with governance written confirmation concerning representations made to us in connection with the audit.

## **Not Liable For Any Failures or Delays Beyond Our Control**

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed-upon time frames. However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by your County of its obligations.

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

This agreement shall be governed by the laws of the Province of *Alberta*

The above terms of engagement will be effective from year to year unless amended or terminated in writing.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity to be of service to the County.

Yours truly,

*METRIX GROUP LLP*

**Chartered Professional Accountants**

Acknowledged and agreed to on behalf of Leduc County by:

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Tanni Doblanko, Mayor