

April 9, 2024

Leduc County
County Centre
Suite 101, 1101 – 5th Street
Nisku, Alberta
T9E 2X3

Attention: Members of County Council

Dear Council Members:

RE: 2023 AUDIT

The purpose of this communication is to summarize certain matters arising from the audit that we believe would be of interest to County Council. This communication should be read in conjunction with the financial statements and our report thereon, and it is intended solely for the use of County Council and should not be distributed to external parties without our prior consent. Metrix Group LLP accepts no responsibility to a third party who uses this communication.

SIGNIFICANT FINDINGS FROM THE AUDIT

The objective of our audit was to obtain reasonable assurance that the financial statements are free of material misstatement. Our audit procedures were performed in order to form an opinion on the financial statements and although they might bring possible fraudulent or illegal activities to our attention, our audit procedures were not designed to detect fraudulent or illegal activities.

The audit findings contained in this letter did not have a material effect on the County's financial statements, and as such, our audit report is without reservation.

Internal Controls

Our audit procedures did not reveal any significant deficiencies in internal control.

Accounting Policies and Estimates

Management is responsible for determining the significant accounting policies. The choice of different accounting policy alternatives can have a significant effect on the financial position and results of the County. The application of those policies often involves significant estimates and judgments by management.

The County has made the following significant accounting estimates in preparing its financial statements.

- Amortization of tangible capital assets - \$17,585,675 (2022 - \$17,257,450)
- Asset retirement obligations - \$3,566,292 (2022 - \$0)
- Allowance for doubtful accounts - \$811,690 (2022 - \$564,111)

We are of the opinion that the significant accounting policies, estimates, and judgments made by management, and financial disclosures do not materially misstate the financial statements taken as a whole.

Uncorrected Misstatements

There were no significant uncorrected misstatements aggregated by our Firm, for the year ended December 31, 2023.

After considering both quantitative and qualitative factors with respect to the uncorrected misstatements we aggregated during the audit, we agree with management that the financial statements are not materially misstated.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of Council.

Management Representations

Management's representations are integral to the audit evidence we will gather. Prior to the release of our report, we will require management's representations in writing to support the content of our report.

AUDITOR INDEPENDENCE

We believe it is important to communicate, at least annually, with you regarding all relationships between the County and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the Chartered Professional Accountants of Alberta and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and

(e) provision of services in addition to the audit engagement.

We are not aware of any relationships between the County and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence that have occurred from January 1, 2023 – April 9, 2024.

We want to thank the entire finance department for their assistance during the audit. We appreciate the opportunity to work with the County.

Yours very truly,

METRIX GROUP LLP

A handwritten signature in black ink, appearing to read "Curtis Friesen".

Curtis Friesen CPA, CA
Partner

CDF/cjo

cc: Duane Coleman, CLGM, County Manager
Renee Klimosko, CPA, CGA, General Manager, Financial & Corporate Services
Natasha Wice, CPA, CGA, B. Mgt, Director of Finance

DRAFT