



April 14, 2026

To the members of Council of Parkland County

Dear Council:

RE: 2025 AUDIT FINDINGS

The purpose of this communication is to summarize certain matters arising from the audit that we believe would be of interest to Council. Additionally, during the course of our audit we identified matters that may be of interest to management.

This communication should be read in conjunction with the consolidated financial statements and our report thereon, and it is intended solely for the use of the 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.

AUDITOR RESPONSIBILITIES

It is important for the Council to understand the responsibilities that rest with Parkland County (the "County") and its management and those that belong to the auditor in relation to the financial statement audit.

Our audit of the County's consolidated financial statements was performed in accordance with Canadian Auditing Standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations and fund balances, and cash flows of the County in accordance with Canadian public sector accounting standards.

Accordingly, we planned and performed our audit to provide reasonable, but not absolute, assurance of detecting fraud and errors that have a material effect on the consolidated financial statements taken as a whole, including illegal acts whose consequences have a material effect on the consolidated financial statements.

The audit included consideration of internal control relevant to the preparation of the consolidated 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 internal control.

Canadian Auditing Standards does not require the auditor to design procedures for the purpose of identifying supplementary matters to communicate to the Council. Accordingly, our audit would not necessarily identify all such matters that may be of interest to Council and management and it is inappropriate to conclude that no such matters exist.



MANAGEMENT RESPONSIBILITIES

Management is responsible for the preparation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDIT APPROACH

In gathering our audit evidence, we utilized a substantive approach to the audit of the County. In utilizing a substantive approach, we will obtain our assurance from performing substantive procedures (analysis of data and obtaining direct evidence as to the validity of the items such as third-party confirmations and sample testing).

MATERIALITY

Materiality in an audit is used as a guide for planning the nature and extent of audit procedures and for assessing the sufficiency of audit evidence gathered. It is also used in evaluating the misstatements found and determining the appropriate audit opinion to express.

A misstatement, or the aggregate of all misstatements in consolidated financial statements, is considered to be material if, in the light of surrounding circumstances, it is probable that the decision of a person who is relying on the consolidated financial statements, and who has a reasonable knowledge of business and economic activities (the user), would be changed or influenced by such misstatement or the aggregate of all misstatements. The materiality decision ultimately is based on the auditor's professional judgment.

The auditor's determination of materiality is a matter of professional judgment, and is affected by the auditor's perception of the financial information needs of users of the consolidated financial statements. In planning our audit, we have concluded that a materiality level of 3% of total expenses is appropriate. However, we anticipate that management will record any adjustments that we propose that are of a non-trivial nature.

SIGNIFICANT FINDINGS FROM THE AUDIT

Our objective is to communicate appropriately to the Council deficiencies in internal control that we have identified during the audit and that, in our professional judgment, are of sufficient importance to be reported to the Council.

Significant Deficiencies in Internal Control

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

Significant Qualitative Aspects of Accounting Practices

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.

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

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties during 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.

Detection of Fraudulent and Illegal Activities

Our audit procedures were performed for the purpose of forming an opinion on the consolidated 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. In any event, we did not detect any fraudulent or illegal activities, or material misstatements resulting from fraudulent or illegal activities during the audit.

AUDITOR INDEPENDENCE

We have been engaged to audit the consolidated financial statements of the County for the year ended December 31, 2025.

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 have prepared the following comments to facilitate our discussion with you regarding independence matters.

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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, 2025 to April 14, 2026.

We wish to express our appreciation for the co-operation received by us from the management team during the audit and would be pleased to discuss any matters mentioned in this letter. Lastly, we would like to thank the County for the opportunity to serve as external auditors.

Yours very truly,

METRIX GROUP LLP

A handwritten signature in black ink, appearing to read 'Noel Chin', is positioned above the typed name.

Noel Chin, CPA, CA
Partner