

April 27, 2021

Parkland County
53109A HWY 779
Parkland County, Alberta T7Z 1R1

Attention: County Council Members

Dear Council Members:

RE: 2020 AUDIT FINDINGS REPORT

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 and Council.

The objective of our audit was to obtain reasonable assurance that the financial statements are free of material misstatement, whether due to fraud or error, and issue an auditors' report that includes our opinion. Our audit was not designed for the sole purpose of identifying matters to communicate. 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.

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

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 merit being reported to Council.

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

Significant Deficiencies in Internal Control

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

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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 Village. The application of those policies often involves significant estimates and judgments by management.

Accounting Estimates

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

Amortization of Tangible Capital Assets - \$689,961 (2019 - \$672,426)

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.

Corrected and Uncorrected Misstatements

Corrected Misstatements

During the course of the audit, we identified sixteen (16) adjustments that were communicated to management and subsequently corrected in the financial statements. The majority of these adjustments relate to tangible capital assets and related funding. This type of accounting assistance is common with our smaller local government clients and we do not mind providing this assistance.

Uncorrected Misstatements

Uncorrected misstatements aggregated by our Firm, for the year ended December 31, 2020 amounted to a \$7,671 understatement of the 2020 annual surplus.

After considering both quantitative and qualitative factors with respect to the uncorrected misstatements above, 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. We had the full co-operation of the Village management and staff throughout our work and we received full access to all necessary records and documentation

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 Council regarding all relationships between the Village 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 CPA 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.

We are not aware of any relationships between the Village and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence that have occurred from January 1, 2020 – April 27, 2021.

We appreciated the assistance of Rob Coon, Lindsay Goebel, and Loreen Bourguignon during the audit and we appreciate the opportunity to provide audit services to the Village.

Yours truly,

METRIX GROUP LLP



Philip J. Dirks, CPA, CA
Partner