

## Independent auditor's report

To the **Minister of Municipal Affairs**

### Opinion

We have audited the municipal financial information return of **Strathcona County** (the "County") as at December 31, 2019 and for the year then ended.

In our opinion, the accompanying municipal financial information return presents fairly, in all material respects, the financial position of the County as at December 31, 2019, and its results of operations for the year then ended in accordance with the financial reporting provisions of Section 277 of the Municipal Government Act.

### Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the municipal financial information return* section of our report. We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the municipal financial information return in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Restriction on use

Without modifying our opinion, the municipal financial information return is prepared in accordance with the financial reporting provision of Section 277 of the Municipal Government Act and is to be used primarily for provincial statistical purposes. As a result, the municipal financial information return may not be suitable for another purpose. Our report is intended solely for the Minister of Municipal Affairs and should not be used by parties other than the specified user or for any other purpose.

### Other matters

The County has prepared consolidated financial statements for the year ended December 31, 2019 in accordance with Canadian public sector accounting standards on which we issued a separate auditor's report to the Mayor and Members of Council of the County dated May 26, 2020.

### Responsibilities of management and those charged with governance for the municipal financial information return

Management is responsible for the preparation and fair presentation of the municipal financial information return in accordance with the financial reporting provision of Section 277 of the Municipal Government Act, and for such internal control as management determines is necessary to enable the preparation of the municipal financial information return that is free from material misstatement, whether due to fraud or error.

In preparing the municipal financial information return, management is responsible for assessing the County's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the County or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the County's financial reporting process.

**Auditor's responsibilities for the audit of the municipal financial information return**

Our objectives are to obtain reasonable assurance about whether the municipal financial information return as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this municipal financial information return.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the municipal financial information return, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the County's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the municipal financial information return or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the County to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the municipal financial information return, including the disclosures, and whether the municipal financial information return represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Canada  
May 26, 2020