

Strathcona County Audit Results

December 31, 2024

April 10, 2025

Mayor and Council

Strathcona County

Dear Members of Council (“those charged with governance”),

We are pleased to provide the results of our audit of the consolidated financial statements of Strathcona County (“the County”) for the year ended December 31, 2024. This letter also includes the status of our audit, which we anticipate will be completed on or about April 29, 2025.

Our audit was designed to express an opinion on the December 31, 2024, consolidated financial statements. We continue to receive the full support and assistance of the County’s personnel in conducting our audit. Open and candid dialogue with you is a critical step in the audit process, and in the overall corporate governance process and we appreciate this opportunity to share the insights from our audit with you.

At Ernst & Young, we continually evaluate the quality of our professionals’ work in order to deliver remarkable client service. We strive to provide you with audit services of the highest quality that will meet or exceed your expectations, and we encourage you to participate in our Assessment of Service Quality (ASQ) process to provide your input on our performance. The ASQ process is a critical tool that enables us to monitor and improve the quality of our audit services to the County.

This report is intended solely for the information and use of management and those charged with governance. It is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to meeting with you to discuss the contents of this letter and answer any questions you may have about these or any other audit-related matters.

Very truly yours,



Chartered Professional Accountants

Robert (Rob) M Jolley, CPA, CA*

**Services provided through Robert Jolley Professional Corporation*

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2024 Ernst & Young services

	Services and deliverables	Status update
Audit and audit-related services	<p>► Express opinions on:</p> <ul style="list-style-type: none"> • The consolidated financial statements of Strathcona County ('the County') for the year ended December 31, 2024, prepared in accordance with the Canadian public sector accounting standards ("PSAS"). • The Financial Information Return ("FIR") for the County for the year ended December 31, 2024, prepared for Alberta Municipal Affairs in accordance with Section 277 of the Municipal Government Act. 	<p>► Audit procedures to be completed on the consolidated financial statements:</p> <ul style="list-style-type: none"> • Obtain a letter of representations from management • Perform final procedures relating to our review of the file, the financial statements and footnotes • Receipt of legal letter responses • Complete subsequent events review procedures • Perform standard fraud and subsequent events inquiries with Mayor and Council <p>► When it is available, we will review the County's Annual Report to determine whether such information, or the manner of its presentation, is materially inconsistent with the audited consolidated financial statements.</p> <p>► We have received the FIR for the year ended December 31, 2024 and are completing our review.</p>

	Services and deliverables	Status update
Audit and audit-related services	<p>► Express opinions on:</p> <ul style="list-style-type: none"> • The separate financial statements of Pioneer Housing Foundation and the Strathcona County Library Board for the year ended December 31, 2024, in accordance with PSAS. • The Family and Community Support Services ("FCSS") Program Schedule of Revenues and Expenditures for the year ended December 31, 2024, prepared for the Minister of Municipal Affairs in accordance with the financial reporting provisions in the Province of Alberta Family and Community Support Services Act and Alberta Regulation 218/94. 	<p>► We issued an unqualified opinion on the financial statements of Pioneer Housing Foundation for the year ended December 31, 2024, on March 12, 2025.</p> <p>► We issued an unqualified opinion on the financial statements of the Strathcona County Library Board for the year ended December 31, 2024, on March 17, 2025.</p> <p>► The FCSS audit is in progress and will be submitted prior to the April 30, 2025 deadline.</p>

	Services and deliverables	Status update
Audit and audit-related services	<p>► Express opinions on:</p> <ul style="list-style-type: none"> • The Family Resource Network (“FRN”) Program Statement of Revenues and Expenditures for the year ended March 31, 2025 prepared for the Minister of Children’s Services in accordance with the financial reporting provisions in the Family Resource Network Operational Grant Agreement. • Issue a written communication to: <ul style="list-style-type: none"> - Management and Council describing significant deficiencies in internal control identified during our audit, should any be noted; and, - Management of other deficiencies in internal control identified during our audit that in our professional judgment merit management’s attention, should any be noted. 	<p>► The FRN audit will be submitted prior to the June 30, 2025 deadline.</p> <p>► No matters requiring the attention of Council at this time.</p>
Other services	<ul style="list-style-type: none"> • Agreed upon procedures on the annual contributions to the Local Authorities Pension Plan (“LAPP”) and the APEX Supplementary Pension Plan for 2024. 	<p>► The LAPP and APEX Compliance reports are in progress and will be submitted prior to the June 30, 2025, deadline.</p>

Critical policies, estimates, and areas of audit emphasis

Area of emphasis/critical accounting policy	Critical accounting policy? (note 1)	Ernst & Young comments on quality and application of accounting policy, significant estimates, financial statement disclosures and related matters
<p>Revenue recognition</p> <p>Taxation revenues are recorded in the period to which the assessment relates, and reasonable estimates of amounts can be made.</p> <p>Government transfers are recognized in revenue when they are authorized and when eligibility criteria have been met. Under certain circumstances, agreements may create a liability which is deferred until certain criteria are met.</p> <p>Development charges must be used for specific purposes and are deferred and recognized in revenue in the period in which the resources are used for the specified purpose(s).</p> <p>When appropriate, fees and user charges are deferred and recognized in revenue in the period in which the resources are used for the specified purpose(s).</p>	<p>✓</p>	<ul style="list-style-type: none"> ▶ We ensured that tax revenue was calculated based on tax rates approved by County Council and confirmed amounts requisitioned directly with third parties. ▶ We reviewed the recognition of government transfers subject to external restrictions to ensure that they were recognized appropriately. In addition, we agreed all significant government transfers to the related agreements and cash receipts. ▶ We selected a sample of revenue transactions and traced them to supporting documentation to ensure they were appropriately recorded and approved. ▶ We performed analytics over the main revenue streams to ensure they were appropriately recorded in the year and are within expectations. ▶ We performed analytics over the main revenue streams to ensure they were appropriately recorded in the year and are within expectations.

Note 1: Represents critical accounting policies included in notes to the financial statements

Area of emphasis/critical accounting policy	Critical accounting policy? (note 1)	Ernst & Young comments on quality and application of accounting policy, significant estimates, financial statement disclosures and related matters
<p>Tangible capital assets</p> <p>Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development, or betterment of the assets. The tangible capital assets' cost, excluding land, are amortized on a straight-line basis over their estimated useful lives.</p>	✓	<ul style="list-style-type: none"> ▶ During the audit we tested a sample of additions and disposals of tangible capital assets to supporting documentation and tested the reasonability of amortization recorded during the year. ▶ The County's tangible capital asset capitalization and amortization policies are appropriate. Estimated useful lives for assets are consistent with prior years and appear reasonable compared to those applied by other Alberta municipalities. ▶ Based on the testing performed, we concur with managements accounting for and reporting of tangible capital assets.

Note 1: Represents critical accounting policies included in notes to the financial statements

Area of emphasis/critical accounting policy	Critical accounting policy? (note 1)	Ernst & Young comments on quality and application of accounting policy, significant estimates, financial statement disclosures and related matters
<p>Investments</p> <p>The County values investments at amortized cost less any amounts allowed to reflect a permanent decline in value.</p> <p>If the fair value of investments is less than cost, the County must assess whether the impairment is considered other-than-temporary and, if so, recognize the other-than-temporary impairment in the statement of operations.</p>	✓	<ul style="list-style-type: none"> ▶ We verified the cost and market value of investments through external confirmation and reviewed management's assessment of market value for potential impairment. ▶ Based on our testing the County's investments are appropriately recorded and in compliance with the investment policy.
<p>Expenses, and cut-off of year-end transactions</p> <p>In accordance with PSAS, expenses must be recorded in the period in which they are incurred, not in the period in which cash is paid.</p>		<ul style="list-style-type: none"> ▶ The County's policies related to the recording of expenses are appropriate under PSAS and consistent with those applied by other Alberta municipalities. Policies are unchanged from those applied last year. ▶ Based on our testing of expenses and other audit procedures related to transactions occurring subsequent to the year end, we did not identify any issues related to recorded expenses and cut-off.

Note 1: Represents critical accounting policies included in notes to the financial statements

Area of emphasis/critical accounting policy	Critical accounting policy? (note 1)	Ernst & Young comments on quality and application of accounting policy, significant estimates, financial statement disclosures and related matters
<p>Refund Deposit Account</p> <p>The County has a Refund Deposit Account ("RDA") related to its life and disability insurance policy with Canada Life. The RDA is an account in which funds can be held until paid to the County. It is the property of the County and Canada Life has no call on the funds.</p>		<p>► Prior to 2024, the County included these funds in the financial statement note disclosure. In 2024, after further review with Canada Life, the County reclassified the \$5.6M RDA balance as other operating revenue, thereby removing it from the note disclosure. Of this balance, the County withdrew \$2.5M and allocated it to the Health Benefit Reserve. The remaining \$3.1M was recorded in accounts receivable as of December 31, 2024.</p>
<p>Adoption of new accounting standards</p> <p>Effective January 1, 2024 the County adopted <i>PS3160 Public Private Partnerships, PS3400 Revenue and Public Sector Guideline 8 Purchased Intangibles</i>.</p>		<p>► The standards did not have an impact on the County's financial statements</p>

Note 1: Represents critical accounting policies included in notes to the financial statements

Fraud considerations and the risk of management override

We are responsible for planning and performing our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or by fraud (CAS 240, *The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*.)

Our audit procedures encompassed the requirements of CAS 240: brainstorming, gathering information to facilitate the identification of, and response to, fraud risks and performing certain procedures to address the risk of management override, including examining journal entries, reviewing accounting estimates and evaluating the business rationale of significant unusual transactions. Although we have not identified a specific fraud risk in the current year, we have examined journal entries, reviewed accounting estimates for management bias and evaluated the business rationale of significant unusual transactions as required by our professional standards. Based on the procedures performed there are no items that merit the attention of Council.

Summary of audit differences and disclosure misstatements

During the course of our audit, we accumulate differences between the amount, classification, presentation and disclosure of a financial statement item recorded or reported by the County and the amount, classification or presentation and disclosure that we believe is required to be recorded or reported under generally accepted accounting principles. Following is a summary of the misstatements we have identified through the date of this report that have not been corrected by the County.

	Account/description of misstatement	Asset \$	Liability \$	Income \$
1	Revenue from prior years related to the Refund Deposit Account recorded in 2024			
	Other operating revenue			3,300,000
2	Recovery of prior year PCL claim			
	Purchased services			2,000,000
	Overstatement of income			5,300,000

Unrecorded differences may become material because of the risk of additional undetected differences or their impact to subsequent interim or annual periods. As a result, we encourage the recording of all audit differences.

Summary of audit differences and disclosure misstatements (continued)

There were no significant corrected audit adjustments related to the 2024 audit.

During the course of our audit, we identify those significant disclosures required in the 2024 consolidated financial statements of the County, that we believe were not adequately reflected. There were no such disclosure differences noted during the completion of our audit that warrant the attention of Council.

APPENDIX A: REQUIRED COMMUNICATIONS

Area	Comments
Auditor’s responsibility under Canadian GAAS, including discussion of the type of opinion we are issuing	We described the auditor’s responsibility in the engagement letter that was provided to you. We currently expect to issue an unqualified opinion on the County’s consolidated financial statements as at and for the year ended December 31, 2024.
Changes to the planned audit strategy, timing of the audit and significant risks initially identified	Our audit strategy is consistent with the plan communicated during the October 22, 2024 meeting.
Matters relevant to our evaluation of the entity’s ability to continue as a going concern	We did not identify any events or conditions that led us to believe there was a material uncertainty that may cast significant doubt about the County’s ability to continue as a going concern.
Significant accounting policies and accounting estimates, including qualitative aspects, our assessment of management’s disclosures and our conclusion regarding appropriateness	We have reviewed and evaluated significant accounting policies and sensitive estimates as outlined in the draft financial statements and consider these policies appropriate. Refer to “Critical Policies, Estimates, and Areas of Audit Emphasis” section where we have discussed our conclusions and observations over such matters we determined most critical to our audit.

Area	Comments
Significant unusual transactions	We are not aware of any significant unusual transactions executed by the County.
Related party relationships and transactions	We noted no significant matters regarding the County's relationships and transactions with related parties.
Corrected misstatements related to accounts and disclosures Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial	Refer to "Summary of audit differences and disclosure misstatements" section.
Our responsibility, any procedures performed and the results relating to other information in documents containing audited financial statements	We will read the County's Annual Report when it becomes available and if, based on the work we will perform on this other information, if we identify any material misstatements in this other information, we will report this fact to you.
Fraud and noncompliance with laws and regulations (illegal acts)	We are not aware of any matters that require communication.
Obtain information relevant to the audit	Inquiries regarding matters relevant to the audit are to be performed at the April 29, 2025 meeting.
Independence matters	We are independent of the County in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.
New accounting pronouncements	No issues have been identified with regard to management's planned application of new accounting pronouncements.

Area	Comments
Other material written communications with management	Refer to the letter of representation in Appendix B.
Other matters	There are no other matters arising from the audit that are significant and relevant to the those charged with governance regarding the oversight of the financial reporting process.
Representations we are requesting from management	See letter of representations related to the audit which is included in Appendix B.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention Disagreements with management and significant difficulties encountered in dealing with management when performing the audit Management's consultations with other accountants Material alternative accounting treatments discussed with management Findings regarding external confirmations	None.
Difficult or contentious matters subject to consultation outside of the audit team	None

APPENDIX B: Letter of representation

April 29, 2025

Ernst & Young LLP
EPCOR Tower
Suite 1400, 10423 - 101 Street
Edmonton, AB
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In connection with your audit of the consolidated financial statements of Strathcona County (the "County") as of December 31, 2024 and for the year then ended, we recognize that obtaining representations from us concerning the information contained in this letter is a significant procedure in enabling you to form an opinion whether the consolidated financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of Strathcona County in accordance with Canadian public sector accounting standards.

We understand that your audit of our consolidated financial statements was conducted in accordance with Canadian generally accepted auditing standards and was, therefore, designed primarily for the purpose of expressing an opinion on the consolidated financial statements as a whole, which involves an examination of the accounting system, internal control and related data to the extent you considered necessary in the circumstances.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Accordingly, we make the following representations, as of the date of this letter, which are true to the best of our knowledge and belief:

Financial statements and financial records

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated August 13, 2024, for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge that, as members of management of the County, we are responsible for the fair presentation of the consolidated financial statements. We believe the consolidated financial statements referred to above present fairly, in all material respects, the financial position, results of operations and cash flows of the County in accordance with Canadian public sector accounting standards.
4. The significant accounting policies adopted in the preparation of the consolidated financial statements are fully and fairly described in the financial statements.
5. As members of management of the County, we believe that the County has a system of internal controls adequate to permit the preparation of accurate consolidated financial statements in accordance with Canadian public sector accounting standards.
6. We are not aware of any significant deficiencies in the design or operation of internal control over financial reporting. There have been no significant changes in internal control since December 31, 2024.
7. There are no transactions, events or conditions of a material nature, individually or in the aggregate, that have not been properly recorded in the accounting records underlying the consolidated financial statements
8. From April 23, 2024, through the date of this letter we have disclosed to you, to the extent that we are aware, any (1) unauthorized access to our information technology systems that either occurred or is reasonably likely to have occurred, including of reports submitted to us by third parties (including regulatory agencies, law enforcement agencies and security consultants), to the extent that such unauthorized access to our information technology systems is reasonably likely to have a material effect on the consolidated financial statements, in each case or in the aggregate, and (2) ransomware attacks when we paid or are contemplating paying a ransom, regardless of the amount.

Other information

1. Other information comprises financial or non-financial information (other than financial statements and the auditor's report thereon) included in an entity's annual report, which is defined as a document, or a combination of documents, with the following characteristics:
 - (a) contains or accompanies the financial statements and our auditor's report thereon,
 - (b) is typically prepared on an annual basis by management or those charged with governance in accordance with law, regulation or custom, and
 - (c) the purpose of which is to provide owners (or similar stakeholders) with information on the entity's operations and the entity's financial results and financial position as set out in the financial statements.

We are responsible for the other information and have informed you of all of the documents that we expect to issue that may comprise other information.

2. We intend to prepare and issue the Annual Report and will provide you with the final version of the other information when available. We will provide you with the other information prior to the issuance of the documents, so that you may complete your required procedures.

Non-compliance with laws and regulations, including fraud

1. We acknowledge that we are responsible to determine that the County's business activities are conducted in accordance with laws and regulations and that we are responsible to identify and address any non-compliance with applicable laws and regulations, including fraud.
2. We acknowledge our responsibility for the design, implementation and maintenance of a system of internal control to prevent and detect fraud.
3. We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any identified or suspected non-compliance with laws and regulations, including fraud, that may have affected the County (regardless of the source or form and including without limitation, any allegations by "whistleblowers" employees, former employees, regulators or others), including non-compliance matters:
 - Involving financial improprieties
 - Related to laws and regulations that have a direct effect on the determination of material amounts and disclosures in the County's consolidated financial statements
 - Related to laws and regulations that have an indirect effect on amounts and disclosures in the consolidated financial statements, but compliance with which may be fundamental to the operations of the County's business, its ability to continue in business, or to avoid material penalties
 - Involving management, or employees who have significant roles in internal control, or others
 - In relation to any allegations of fraud, suspected fraud or other non-compliance with laws and regulations communicated by employees, former employees, regulators or others

Uncorrected misstatements

1. We believe that the effects of those uncorrected misstatements, summarized in the accompanying schedule, accumulated by you during the current and prior audit periods presented, are immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole. In addition, to the extent that uncorrected misstatements have been subsequently identified in the current period that affect prior period consolidated financial statements, we have evaluated the effect of correcting prior period consolidated financial statements and believe that the effects of the uncorrected misstatements are immaterial, both individually and in the aggregate, to the prior period consolidated financial statements taken as a whole.

Independence

1. We have communicated to you the names of all the County's affiliates, officers, directors and elected officials.
2. We are not aware of any business relationship between the County and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm").
3. We are not aware of any business relationship between any such officers, or directors of the County (or any entity for or of which such an individual acts in a similar capacity) and Ernst & Young LLP or any other member firm of the global Ernst & Young organization (any of which, an "EY Firm"). Such relationships exclude those where an EY Firm performs professional services or where an EY Firm is a consumer in the ordinary course of operations.
4. We are not aware of any reason that Ernst & Young LLP would not be independent for purposes of the County's audit.

Completeness of information

1. We have provided you with:
 - (a) Access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements such as records, data, documentation and other matters
 - (b) Additional information that you have requested from us for the purpose of the audit
 - (c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain evidence
2. We have disclosed to you the use of all applications or tools using artificial intelligence, including generative artificial intelligence, that are reasonably likely to have a direct or indirect material effect on the financial statements.
3. We have made available to you all minutes of the meetings of Council and committees of Council (or summaries of actions of recent meetings for which minutes have not yet been prepared) and copies of all unanimous written consents through the year to the most recent meeting on the following date: April 22, 2025.
4. We also have made available to you all agreements and significant contracts, including amendments, and have communicated to you all significant oral agreements. We have complied with all aspects of contractual agreements that have a material effect on the consolidated financial statements, including all covenants, conditions or other requirements of all outstanding debt.
5. We confirm the completeness of the information provided regarding the identification of related parties. We have disclosed to you the identity of the County's related parties and all related party relationships and transactions, including inter-entity transactions, of which we are aware, including sales, purchases, loans, transfers of assets, liabilities and services, leasing arrangements, commitments, guarantees, non-monetary transactions and transactions for no consideration for the year ended December 31, 2024, as well as related balances due to or from such parties at the year end. These transactions have been properly measured and disclosed in the consolidated financial statements.

Recognition, measurement and disclosure

1. We believe that the appropriateness of the methods, the consistency in application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in developing accounting estimates and related disclosures used in the preparation of the consolidated financial statements, including those measured at fair value are reasonable and supportable.
2. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.

Risk and measurement uncertainties

1. We have disclosed the assumptions we have made about the future, and all other major sources of estimation uncertainties, which have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Ownership of assets

1. The County has satisfactory title to all assets appearing on the consolidated statement of financial position, and there are no liens or encumbrances on the County's assets, nor has any asset been pledged except as disclosed in the consolidated financial statements. All assets to which the County has satisfactory title appear on the consolidated statement of financial position, except for works of art and historical treasures, developed or inherited intangibles, items inherited by right of the Crown and natural resources.

Side arrangements and other agreements

1. There have been no side agreements or other arrangements (either written or oral) that have not been disclosed to you.

Receivables and revenues

1. Receivables represent valid claims against the debtors indicated. Receivables arising from exchange transactions do not include amounts for services provided subsequent to the consolidated statement of financial position sheet date, or other types of arrangements not constituting sales. For transactions with performance obligations, revenues have not been recognized before the County has satisfied its performance obligations by providing the promised goods or services to the payor. The County has evaluated the goods or services it has promised to provide and identified which ones are distinct; those that are distinct have been accounted for separately. The County has recognized as revenue only the portion of transaction prices allocated to the performance obligations that have been satisfied, considering the effects of any multiple performance obligations, variable consideration, significant concessionary terms and non-cash consideration that may exist in these transactions.
2. Receivables and revenues resulting from non-exchange transactions are only recorded once the County has the authority to claim or retain the inflow of economic resources.
3. The County has evaluated its transactions in order to identify if any single transaction contains multiple components; for any such transactions identified, each component is accounted for in accordance with the applicable recognition criteria.
4. Adequate provision has been made for losses, costs, and expenses that may be incurred subsequent to the consolidated statement of financial position date in respect of sales and services rendered prior to that date and for uncollectible accounts, discounts, returns, and allowances, etc., that may be incurred in the collection of receivables at that date. We have disclosed to you all sales terms (both expressed and implied), including all rights of return or price adjustments and warranty provisions. We have made available to you all significant contracts, communications (either written or oral), and other relevant information pertaining to arrangements with our customers, including distributors and resellers.

Government transfers

1. We have disclosed all significant terms and agreements related to government transfers, regardless of whether we are the transferring government or the recipient government.
2. The County, when it is the recipient government, has recognized government transfers without eligibility criteria or stipulations as revenue in the period the transfers are authorized. Transfers with eligibility criteria but without stipulations have been recognized as revenue when the transfers are authorized and all eligibility criteria were met. Transfers with stipulations (with or without eligibility criteria) have been recognized as revenue in the period the transfers were authorized and any eligibility criteria were met; however, any such transfers that gave rise to an obligation that met the definition of a liability were instead recorded as such and were excluded from revenue. The County reduces the liability and recognizes the revenue as it settles the liability.

Tax revenue

1. The County has recognized taxes as assets and revenue only when they met the definition of an asset and revenue, respectively, they were authorized, and the taxable events had occurred. Taxes imposed and collected on behalf of others have not been included in the County's tax revenue. The County initially recorded tax revenue at its best estimate of the amount of that revenue; subsequent adjustments are accounted for as changes in estimates.
2. The County has, as at the consolidated statement of financial position date, evaluated the extent to which its tax receivables are ultimately collectible and has recorded valuation allowances as needed to reflect these receivables at their net recoverable amount.
3. When the County makes transfers through the tax system, it records these transfers in expenses and not as a reduction of tax revenue.
4. The County has not grossed up its tax revenue for the amount of any tax concessions provided.

Contributions

1. All contributions received were complete and appropriately classified and administered according to the restrictions specified by the donor.
2. Externally restricted inflows have only been recognized as revenue in the consolidated financial statements in the period in which the resources are used for the purpose specified. Any externally restricted assets that are segregated have been disclosed in the notes or schedules to the consolidated financial statements.
3. Any information presented about designated assets has been included in the notes, and not on the statement of consolidated financial position.

Financial instruments

1. At each consolidated financial statement date, the County has assessed financial assets or groups of financial assets to determine whether there was any objective evidence of impairment. If any such evidence existed, we have applied PS 3041, Portfolio investments, or PS 3050, Loans receivable, as applicable, to assess and account for any impairment. Any impairment losses have been reported in the consolidated statement of operations, unless otherwise stated by PS 3041 or PS 3050. Write-downs of portfolio investments are not reversed.

Arrangements with financial institutions

1. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements have been properly recorded or disclosed in the consolidated financial statements.

Controlled and related entities

1. We have appropriately defined the government reporting entity by identifying all governmental units, comprising all government components, government not-for-profit organizations and other government organizations but excluding government business enterprises and trusts under administration. We have consolidated all governmental units included in the government reporting entity in the County's consolidated financial statements.

Tangible capital assets

1. We have accounted for software in accordance with PS 3150, Tangible capital assets. We have accounted for purchased intangibles that meet the criteria to be recognized as assets in PSG-8, Purchased intangibles, in accordance with that guideline.
2. All charges to tangible capital asset accounts during the year represent actual additions and no tangible capital asset or purchased intangible expenditures have been charged to expense during the year.
3. Contributed tangible capital assets received during the year have been recorded at their fair value at the date of contribution. If an estimate of their fair value at the date of contribution cannot be reasonably determined, they were recognized at nominal value.
4. All tangible capital assets sold or dismantled during the year have been properly accounted for in the accounts.
5. Appropriate rates have been used to depreciate and amortize these assets over our estimation of their useful lives.
6. No events or changes in circumstances of the tangible capital assets have occurred that indicate the assets no longer have any long-term service potential to the County, except as noted below. Our estimates of future service potential are based on reasonable and supportable assumptions regarding the expected use of the assets.
7. We have identified assets that no longer have any long-term service potential to the County. The excess of the net carrying amount over the residual value of these assets has been recognized as an expense in the statement of operations.

Events of default under debt agreement

1. No events of default have occurred with respect to any of the County's debt agreements.

Liabilities and contingencies

1. All liabilities and contingencies, including those associated with loan guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the consolidated financial statements.
2. We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
3. We have recorded and/or disclosed, as appropriate, all liabilities related to litigation and claims, both actual and contingent.
4. All liabilities have been discounted to reflect the time value of money, where such effect is material.
5. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements, and there have been no internal investigations or communications from regulatory agencies or government representatives in any jurisdiction concerning investigations or allegations of non-compliance.
6. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.

Asset retirement obligations

1. The County has recorded a liability for all of its known legal obligations associated with the retirement of its tangible capital assets.
2. All asset retirement costs associated with assets no longer in productive use have been expensed, if any.
3. The County has measured the liability for its asset retirement obligations using a present value technique, unless another technique results in a better estimate of the amount required to retire the related tangible capital assets at the consolidated financial statement date.
4. The County has appropriately subsequently measured its asset retirement obligations, either by adjusting the carrying value of the related tangible capital assets or by recording an expense, depending on the nature of the remeasurements and whether the assets remain in productive use.

Oral or written guarantees

1. There are no oral or written guarantees including guarantees of the debt of others.

Purchase commitments

1. At the year end, the County had no commitments that involve a high degree of speculative risk, when the taking of such risks is not inherent in the nature of the business, or commitments to make expenditures that are abnormal in relation to the financial position or usual business operations (e.g., contracts or purchase agreements above market price; repurchase or other agreements not in the ordinary course of business; material commitments for the purchase of property, plant and equipment; purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of the prevailing market prices; losses from fulfillment of, or inability to fulfill, sales commitments, etc.).

Employee future benefits

1. We have disclosed to you all significant retirement benefits, post-employment benefits, compensated absences and termination benefits (as defined in CPA Canada Public Sector Accounting Handbook Sections 3250 and 3255) promised and have made available to you all significant summary plan descriptions, benefit communications, and all other relevant information, including plan changes, that constitute the plan.

Budgetary data

1. The budgetary data included in the consolidated financial statements reflects the budget that was originally approved by the County's governance. The budgetary data is presented for the same scope of activities and on a basis consistent with that used for actual results.

Segment disclosures

1. The information about segments included in the notes to the consolidated financial statements has been prepared and presented in conformity with PS 2700, Segment disclosures.
2. We have appropriately identified our segments based on the County's existing accountability framework and the way in which operations are managed.
3. The segment information is prepared in accordance with the accounting policies adopted for preparing and presenting the County's consolidated financial statements.

Going concern

1. We have made an assessment of the County's ability to continue as a going concern.

Use of work of a specialist

1. We agree with the findings of specialists in evaluating the property tax revenue and the asset retirement obligation and have adequately considered the qualifications of the specialists in determining the amounts and disclosures included in the consolidated financial statements and the underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an effect on the independence or objectivity of the specialists.

Subsequent events

1. Subsequent to December 31, 2024, no events or transactions have occurred or are pending that would have a material effect on the consolidated financial statements at that date or for the period then ended, or that are of such significance in relation to the County's affairs to require mention in a note to the consolidated financial statements in order to make them not misleading regarding the consolidated financial position, results of operations, or cash flows of the County.

Comparative figures

1. In connection with your audit of the comparative consolidated financial statements for the year ended December 31, 2023, we represent, to the best of our knowledge and belief, the following:
 - ▶ There have been no significant errors or misstatements, or changes in accounting policies that would require a restatement of the amounts from the consolidated financial statements for the year ended December 31, 2023 which are shown as comparative amounts in the consolidated financial statements for the year ended December 31, 2024. Any differences in the comparative amounts from the amounts in the consolidated financial statements for the year ended December 31, 2023 are solely the result of reclassifications for comparative purposes.

Signatures

Jennifer Cannon, CPA, CGA, CLGM Chief Financial Officer and Associate Commissioner, Corporate Services		Date
Sharon Deol, CPA, CA Director, Financial and Strategic Services		Date
Amanda Fonos, CPA, CA Manager, Financial Reporting		Date