

DRAFT

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August 24, 2023

Members of the Student Council
Students' Association of NorQuest College
10215 – 108 Street, NW
Edmonton, AB T5J 1L6

Dear Student Council Members:

We have been engaged to audit the financial statements of Students' Association of NorQuest College for the year ending June 30, 2023. Canadian generally accepted standards for audit engagements require that we communicate the following information with you in relation to our audit.

Evaluation of Internal Controls

Audits include a review and evaluation of the system of internal controls to assist in determining the level of reliance that may or should be placed on the system in assessing the nature and extent of audit procedures to be undertaken.

During the course of our audit, we did not encounter any internal control matters that we wish to bring to your attention

Significant Accounting Principles

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review the appropriateness and application as part of our audit. The accounting policies used by the association are described in Note 1, Significant Accounting Policies, in the financial statements.

We concluded that the association has appropriately accounted for and disclosed the accounting policies in accordance with Canadian accounting standards for not-for-profit organizations.

Significant Unusual Transactions

We are not aware of any significant or unusual transactions entered into by the association with other parties that you should be informed about.

Accounting Estimates

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Accounting Estimates (Continued)

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions;
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole;
- Estimate's sensitivity to variation and deviation from historical patterns;
- Estimate's consistency with the entity's business plans; and
- Other audit evidence.

Certain accounting estimates are particularly sensitive because they involve a significant degree of judgment and may have a range of possible outcomes. We examined the key assumptions and risk factors used for estimates to determine whether they were reasonable.

Disagreements With Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to the association's financial statements or independent auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the independent auditors' report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

Consultation With Other Accountants (Second Opinions)

Management may consult with other accountants about auditing and accounting matters to obtain a “second opinion”. When an entity requests that another accountant provide a written report or oral advice on the application of accounting principles to a specific transaction or the type of opinion that may be rendered on the entity’s financial statements, we are required to ensure that the accountant has ensured that the reporting accountant has knowledge of all facts and circumstances and has conducted the engagement in accordance with Canadian generally accepted auditing standards on the Reports on the Application of Accounting Principles.

We are not aware of any consultations that have taken place with other accountants.

Issues Discussed

The auditor generally discusses among other matters, the application of accounting principles and auditing standards, and fees, etc. with management during the initial or recurring appointment of the auditor during the normal course of business. There were no major issues discussed during our audit with regards to our retention that were not in the normal course of business.

Difficulties Encountered During the Audit

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

We shall be pleased to discuss with you further any matters mentioned above, at your convenience.

This communication is prepared solely for the information of the student council and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

To ensure there is a clear understanding and record of the matters discussed, we ask that you sign the acknowledgement in the space provided below. Should any member of your committee or the student council of management wish to discuss or review any matter addressed in this letter or any other matters related to financial reporting, please do not hesitate to contact us at any time.

Yours truly,

KING & COMPANY

Daniel W. Roberts

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Acknowledgement on Behalf of the Student Council

I have read and reviewed the above disclosures and understand and agree with the comments therein:

Signature: _____

Date: _____