

October 23, 2018

Alberta Triathlon Association  
Percy Page Center  
11759 Groat Road  
Edmonton, AB  
T5M 3K6

**Attention: Board of Directors**

Dear Board Members:

**RE: FISCAL 2018 AUDIT VERSUS REVIEW ENGAGEMENT**

The purpose of this communication is to summarize the Association's decision to proceed with a review engagement as opposed to the audit recommendation brought forward from a prior Annual General Meeting.

An audit is an engagement that provides a greater level of assurance, while a review engagement is a limited assurance engagement which primarily consists of making inquiries of management and others, as appropriate, applying analytical procedures, and evaluating the evidence obtained. The objective of an audit is to provide reasonable assurance the financial statements are not materially misstated, while the objective of a review engagement is to conclude that there is nothing to suggest the financial statements are not materially correct.

As we understand the facts, management's key concerns regarding the ability to improve the Association's fiscal 2018 records up to an audit standard included:

- Complete staff and bookkeeper turnover with no information succession;
- Retention of supporting documentation and year-end schedules; and
- Lack of cooperation from the prior Firm performing the annual review engagements.

With these significant issues present, management felt the significantly greater cost of an audit did not warrant the value added, especially considering the likelihood that our ultimate audit report / opinion would be qualified for any items not able to be completely verified / reconciled. Furthermore, the Association secured the services of a new, independent bookkeeper who was required to reconstruct all of the fiscal year's transactions, including all cash in and out, who did not identify anything suggesting fraud was present. Based on this, management determined this would sufficiently address the concerns leading to the request at the Annual General Meeting for an audit to be completed.

We concurred with management that a review engagement was the most pragmatic and cost-efficient approach considering the issues noted above.

This communication is intended solely for the use of the Board and should not be distributed to external parties. Metrix Group LLP accepts no responsibility to a third party who uses this communication.

Yours truly,

**METRIX GROUP LLP**

A handwritten signature in black ink, appearing to read 'PJD', with a stylized flourish at the end.

Philip J. Dirks, CPA, CA  
Partner

PJD/eat