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April 16, 2018

Chilliwack Minor Hockey Association  
Krista Christiuk  
P.O. Box 2416, Stn Sardis Main  
Chilliwack BC V2R 1A7

Dear Krista:

You have requested that we audit the financial statements of Chilliwack Minor Hockey Association, which comprise the statement of financial position as at April 30, 2018, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, as well as a summary of significant accounting policies and other explanatory information.

We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on the financial statements.

#### Our Responsibilities

We will conduct our audit of Chilliwack Minor Hockey Association in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence of the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies in internal control relevant to the audit of the financial statements that we have identified during the audit.

We may also communicate other matters identified during the audit that, in our opinion, are of sufficient importance to merit management's attention.

#### Form and Content of the Audit Opinion

Unless unanticipated difficulties are encountered, our report will be substantially in the following form:



## **To the Members of Chilliwack Minor Hockey Association**

We have audited the accompanying financial statements of Chilliwack Minor Hockey Association, which comprise the statement of financial position as at April 30, 2018, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Chilliwack Minor Hockey Association as at April 30, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

If we conclude that a modification to our opinion on the financial statements is necessary, we will discuss the reasons with you in advance.

Our audit will be conducted on the basis that management and, where appropriate, those charged with governance, acknowledge and understand that they are responsible for:

- a) The preparation and fair presentation of the financial statements in accordance with the Canadian Accounting Standards for Not-for-Profit Organizations;
- b) Such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- c) Providing us with:





- Copies of all minutes of meetings of shareholders, directors and committees of directors;
  - Information relating to any known or probable instances of non-compliance with legislative or regulatory requirements, including financial reporting requirements;
  - Information relating to any illegal or possibly illegal acts, and all facts related thereto;
  - A listing of all related parties and related-party transactions and information pertaining to the measurement and disclosure of transactions with those related parties;
  - An assessment of the reasonableness of significant assumptions underlying fair value measurements and disclosures in the financial statements;\*
  - Any plans or intentions that may affect the carrying value or classification of assets or liabilities;
  - An assessment of all areas of measurement uncertainty known to management that are required to be disclosed in accordance with *MEASUREMENT UNCERTAINTY, Section 1508* of the CPA Canada Handbook - Accounting, Part II;
  - Information relating to claims and possible claims, whether or not they have been discussed with Chilliwack Minor Hockey Association's legal counsel;
  - Information relating to other liabilities and contingent gains or losses, including those associated with guarantees, whether written or oral, under which Chilliwack Minor Hockey Association is contingently liable;
  - Information on whether Chilliwack Minor Hockey Association has satisfactory title to assets, whether liens or encumbrances on assets exist, and whether assets are pledged as collateral;
  - Information relating to compliance with aspects of contractual agreements that may affect the financial statements; and
  - Information concerning subsequent events.
- i) Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence;
  - ii) Access to all information of which management is aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters; and
  - iii) Additional information that we may request from [management] for the purpose of the audit.

As part of our audit, we will request from management and, where appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We will communicate any misstatements identified during the engagement other than those that are clearly trivial. We will request that management correct all the misstatements communicated.

One of the underlying principles of the profession is a duty of confidentiality with respect to client affairs. Each professional accountant must preserve the secrecy of all confidential information that becomes known during the practice of the profession. Accordingly, we will not provide any third party with confidential information concerning the affairs of Chilliwack Minor Hockey Association unless:

- a) We have been specifically authorized with prior consent;
- b) We have been ordered or expressly authorized by law or by the *Code of Professional Conduct* of the Chartered Professional Accountants of British Columbia; or
- c) The information requested is (or enters into) public domain.

In performing our services, we will send messages and documents electronically. You acknowledge that electronic communication carries the possibility of inadvertent misdirection, interception or non-delivery of confidential material, or infection by a virus. If you do not consent to our use of electronic communications, please notify us in writing.

We do not accept responsibility and will not be liable for any damage or loss caused in connection with the interception or corruption of an electronic communication.

It is acknowledged that we will have access to all personal information in your custody that we require to complete our engagement. Our services are provided on the basis that:

- a) You represent to us that management has obtained any required consents for collection, use and disclosure to us of personal information required under applicable privacy legislation; and
- b) We will hold all personal information in compliance with our Privacy Statement.

The examination of the financial statements and the issuance of our audit opinion are solely for the use of Chilliwack Minor Hockey Association and those to whom our report is specifically addressed by us. We make no representations of any kind to any third party in respect of these financial statements, and we accept no responsibility for their use by any third party.

We ask that our name be used only with our consent and that any information to which we have attached a communication be issued with that communication, unless otherwise agreed to by us.

If reproduction or publication of our audit report report (or reference to our report) is planned in an annual report or other document, including electronic filings or posting of the report on a website, a copy of the entire document should be submitted to us in sufficient time for our review before the publication or posting process begins.

Management is responsible for the accurate reproduction of the financial statements, the auditor's report and other related information contained in an annual report or other public document (electronic or paper-based). This includes any incorporation by reference to either full or summarized financial statements that we have audited.

We are not required to read the information contained in your website or to consider the consistency of other information on the electronic site with the original document.





The working papers, files, other materials, reports and work created, developed or performed by us during the course of the engagement are the property of our firm, constitute confidential information and will be retained by us in accordance with our firm's policies and procedures.

During the course of our work, we may provide, for your own use, certain software, spreadsheets and other intellectual property to assist with the provision of our services. Such software, spreadsheets and other intellectual property must not be copied, distributed or used for any other purpose. We also do not provide any warranties in relation to these items and will not be liable for any damage or loss incurred by you in connection with your use of them.

We retain the copyright and all intellectual property rights in any original materials provided to you.

In accordance with professional regulations (and by our firm's policy), our client files may be periodically reviewed by practice inspectors and by other engagement file reviewers to ensure that we are adhering to our professional and firm standards. File reviewers are required to maintain confidentiality of client information.

Except as outlined in this letter, the audit engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and to the facts and circumstances of the entity. Such services, if requested, would be provided under a separate engagement.

In addition to the audit services referred to above, we will, as allowed by the *Code of Professional Conduct* of the Chartered Professional Accountants of British Columbia, prepare your charity returns and other special reports as required. Management will provide the information necessary to complete these returns/reports and will file them with the appropriate authorities on a timely basis.

This engagement letter is subject to, and governed by, the laws of the Province of British Columbia. The Province of British Columbia will have exclusive jurisdiction in relation to any claim, dispute or difference concerning this engagement letter and any matter arising from it. Each party irrevocably waives any right it may have to object to any action being brought in those courts to claim that the action has been brought in an inappropriate forum or to claim that those courts do not have jurisdiction.

You agree that:

- a) Any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation; and
- b) You will engage in the mediation process in good faith once a written request to mediate has been given by any party to the engagement.

Any mediation initiated as a result of this engagement shall be administered within the Province of British Columbia by a mediation organization, according to its mediation rules, and any ensuing litigation shall be conducted within such province, according to provincial law. The results of any such mediation shall be binding only upon agreement of each party to be bound. The costs of any mediation proceeding shall be shared equally by the participating parties.

Chilliwack Minor Hockey Association hereby agrees to indemnify, defend (by counsel retained and instructed by us) and hold harmless our firm (and its partners, agents or employees) from and against any and all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of (or in consequence of):

- a) The breach by Chilliwack Minor Hockey Association, or its directors, officers, agents or employees, of any of the covenants made by Chilliwack Minor Hockey Association herein, including, without restricting the generality of the foregoing, the misuse of, or the unauthorized dissemination of, our engagement report or the financial statements in reference to which the engagement report is issued, or any other work product made available to you by our firm.
- b) The services performed by us pursuant to this engagement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the negligence of our firm. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by your association.

We will use all reasonable efforts to complete the engagement as described in this letter within the agreed upon time frames.

However, we shall not be liable for failures or delays in performance that arise from causes beyond our control, including the untimely performance by Chilliwack Minor Hockey Association of its obligations.

If at any time you would like to discuss our services or make a complaint, please contact your engagement partner or the office manager. We will listen to your concerns and investigate any complaint on a timely basis.

Our professional fees will be based on our regular billing rates, plus direct out-of-pocket expenses and applicable GST, and are due when rendered. Fees for any additional services will be established separately. Interest will be charged on overdue accounts at 2% per month (26.8% APR).

In the event we are required to respond to a subpoena, court order, government agency or other legal process for the production of documents and/or testimony relative to information we obtained and/or prepared during the course of this engagement, you agree to compensate us at our normal hourly rates for the time we expend in connection with such response and to reimburse us for all of our out-of-pocket costs (including applicable GST) incurred.

In connection with this engagement, we may communicate with you or others via telephone, facsimile, post, courier and email transmission. As all communications can be intercepted or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that communications from us will be properly delivered only to the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of communications transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from: communications, including any consequential, incidental, direct or indirect; special damages, such as loss of revenues or anticipated profits; or disclosure or communication of confidential or proprietary information.





Management acknowledges and understands that failure to fulfill its obligations as set out in this engagement letter will result, upon written notice, in the termination of the engagement.

Either party may terminate this agreement for any reason upon providing written notice to the other party *[not less than 30 calendar days before the effective date of termination]*. If early termination takes place, Chilliwack Minor Hockey Association shall be responsible for all time and expenses incurred up to the termination date.

If we are unable to complete the audit or are unable to come to a conclusion on the financial statements, we may withdraw from the audit before issuing an auditor's report, or we may issue a denial of assurance on the financial statements. If this occurs, we will communicate the reasons and provide details.

This engagement letter includes the relevant terms that will govern the engagement for which it has been prepared. The terms of this letter supersede any prior oral or written representations or commitments by or between the parties. Any material changes or additions to the terms set forth in this letter will only become effective if evidenced by a written amendment to this letter, signed by all of the parties.

If you have any questions about the contents of this letter, please raise them with us. If the services outlined are in accordance with your requirements, and if the above terms are acceptable to you, please sign the copy of this letter in the space provided and return it to us.

We appreciate the opportunity of continuing to be of service to your association.

Sincerely,

LLT LLP

Dwayne Thiessen, CPA, CGA  
Partner

Acknowledged and agreed to on behalf of Chilliwack Minor Hockey Association by:

July 11, 2018  
Date signed