

Deloitte LLP

Update on the City of Calgary December 31, 2023 Year End Audit

Extension of audit scope and additional fees

March 14, 2024 Audit Committee - Closed meeting

As part of our ongoing discussions with Administration on the finalization of the December 31, 2023 financial statements, Administration has advised us of certain matters which they have identified that will impact the audit procedures and our scope for the December 31, 2023 financial statements.

This relates to additional scope that has arisen in relation to the Event Centre Project. As a result of the progression of the project during the year, we have been advised by Administration that a number of agreements have been finalized.

Deloitte will be required to perform the following procedures:

- Additional procedures required to be performed to review 31 different agreements (1,333 pages) relating to the Event Centre Project
- Summarizing from an audit perspective key terms, significant relationships, Policy or regulatory considerations and any related accounting or financial statement disclosure impact on the December 31, 2023 financial statements
- Testing the completeness of any commitments or contingencies that would have any impact on the financial statements for December 31, 2023

These additional procedures were not contemplated in our 2023 audit plan as at the time of presenting the audit plan at the July 19, 2023 audit committee meeting, the information required to perform an assessment of the impact on the 2023 audit was not available to Deloitte. Deloitte will incur additional audit effort to review, summarize and assess the 31 agreements and their impact on the December 31, 2023 financial statements.

Following discussions with Administration on the procedures to be performed, we have determined the following additional audit fees:

- Estimated audit fees: \$17,500 plus 7% administrative fee and GST.