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April 25, 2016

The Members of the Audit Committee and City Council of  
The City of Calgary

Dear Members:

We have been engaged to audit the consolidated financial statements of The City of Calgary ("The City") for the year ended December 31, 2015.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between The City and Deloitte that, in our professional judgment, may reasonably be thought to bear on our independence. We are also required to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute / ordre and applicable legislation, covering such matters as:

- (a) Holding a financial interest, either directly or indirectly, in a client;
- (b) Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) Economic dependence on a client; and
- (e) Provision of services in addition to the audit engagement.

We confirm to you that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since April 27, 2015, the date of our last letter.

We are not aware of any relationships between The City and Deloitte, including any network firms that, in our professional judgment, may reasonably be thought to bear on independence, that have occurred from April 28, 2015 to April 25, 2016.

The City of Calgary  
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As summarized in the attached exhibit, the total fees charged to The City during the period covered by the financial statements were as follows:

Audit services	\$1,326,944 (2014 - \$1,149,161)
Audit related services	\$182,041 (2014 - \$386,513)
Non-audit related services	\$65,370 (2014 - \$26,250)
Other services	\$395,669 (2014 - \$604,276)

We re-affirm that the performance of these services has not affected our independence as auditors of The City.

We hereby confirm that we are independent with respect to The City in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta as of April 25, 2016.

This report is intended solely for the use of the Audit Committee, City Council of The City of Calgary, Administration and others within The City and should not be used for any other purposes.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Chartered Accountants

**Total Fees Charged to The City of Calgary  
For the Years Ended December 31, 2015 and 2014**

	2015*	2014*
	\$	\$
<b>AUDIT SERVICES</b>		
<u><i>The City of Calgary</i></u>		
The City of Calgary	373,644***	327,600**
Calhome Properties Ltd.	77,896	77,575
Calgary Police Service	49,327	48,150
Calgary TELUS Convention Centre	40,660	40,660
Calgary Parking Authority	94,160	95,765
Calgary Municipal Land Corporation	51,360	38,520
Calgary Public Library	39,483	38,520
Municipal Employees Benefits Association of Calgary	27,349	28,355
Family & Community Support Services	19,795	19,260
Core Benefit Plan (audit will be conducted every three years)	-	-
Elected Officials Pension Plan	7,276	7,062
Supplementary Pension Plan	13,803	13,482
Funds Held in Trust	1,766	1,712
	<b>796,519</b>	<b>736,661</b>
<u><i>ENMAX Corporation</i></u>		
ENMAX Corporation audit	450,925	351,000
ENMAX Corporation quarterly reviews	79,500	61,500
	<b>530,425</b>	<b>412,500</b>
<b>Total Audit Services</b>	<b>1,326,944</b>	<b>1,149,161</b>
<b>AUDIT RELATED SERVICES</b>		
<u><i>The City of Calgary</i></u>		
City of Calgary Municipal Information Return	4,601	4,494
Calhome Properties Ltd. special government reports	17,655	17,120
Calgary Parking Authority advisory work for ParkPlus pilot –City of Edmonton	35,245	-
Calgary Parking Authority LAPP audit	12,840	-
Alberta Emergency Management Agency – Grant Audit	-	6,099
	<b>70,341</b>	<b>27,713</b>
<u><i>ENMAX Corporation</i></u>		
ENMAX Corporation Pension Plan audit	16,700	16,300
IFRS Conversion (billed during the year)	-	80,000
Audit of the divisional carve out financial statements of ENMAX Transmission and Distribution	95,000	68,000
Professional services to be rendered in connection with the private placement	-	96,700
Audit of the schedules of Return on Equity for ENMAX Transmission & ENMAX Distribution	-	97,800
	<b>111,700</b>	<b>358,800</b>
<b>Total Audit Related Services</b>	<b>182,041</b>	<b>386,513</b>

	2015*	2014*
	\$	\$
<b>NON - AUDIT RELATED SERVICES</b>		
<u><i>Enmax Corporation</i></u>		
Hedge Assessment and Module Validation	42,000	-
<b><i>Bersin by Deloitte</i></b> Five Practice Level One Membership subscription renewal covering the period November through October	23,370	26,250
<b><i>Total Non – Audit Related Services</i></b>	<b>65,370</b>	<b>26,250</b>
<b>OTHER SERVICES</b>		
<u><i>The City of Calgary</i></u>		
Organics Strategic Assessment and advisory work****	329,548	196,289
Transit maintenance facility advisory work****	66,121	407,987
<b><i>Total Other Services</i></b>	<b>395,669</b>	<b>604,276</b>
<b><i>Total Fees For All Services</i></b>	<b>1,970,024</b>	<b>2,166,200</b>

\* Includes administration fee; excludes GST

\*\* Fee includes \$246,000 for the base audit, plus \$40,000 for the 2013 restatement and \$21,400 for additional TCA WIP procedures

\*\*\* Fee includes:

\$252,200 for the base audit, plus the following:

\$15,000 - audit of the implementation of PS 3260 Liability for Contaminated Sites

\$15,000 - operating effectiveness testing of the PTWEB and LIL systems

\$10,000 - audit work related new processes and policies related to Machinery and Equipment

\$10,000 - P3 composting facility agreement

\$12,000 - consolidation of CED and CADA

\$35,000 - TCA prior period adjustments

\*\*\*\* Fiscal 2015 invoices less invoices for January and February 2015 reported as part of 2014 fees