

# **CALGARY CONVENTION CENTRE AUTHORITY**

## **2016 Year-end Audit Communication**



2016 Year-end  
audit  
communication

Calgary Convention  
Centre Authority

For the year ended December 31, 2016  
Presented to the Audit Committee  
May 9, 2017



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May 2, 2017

To the Members of the Audit Committee of the  
Board of Directors of the Calgary Convention Centre Authority

Dear Audit Committee Members:

### **Report on audited annual financial statements**

As agreed in our engagement letter dated November 23, 2016, we have performed an audit, in accordance with Canadian generally accepted auditing standards ("GAAS") of the financial statements of the Calgary Convention Centre Authority (the "Authority") as at and for the year ended December 31, 2016, prepared in accordance with Canadian public sector accounting standards ("PSAS") and expect to issue our audit report thereon dated June 7, 2017.

This report summarizes our findings during the audit. Our audit has been conducted in accordance with the Audit Plan that was presented to the Audit Committee members at the meeting on November 23, 2016.

### **Use of our report**

This report is intended solely for the information and use of the Audit Committee, management and others within the Authority and is not intended to be, and should not be, used by anyone other than these specified parties. Accordingly, we disclaim any responsibility to any other party who may rely on it.

We would like to express our appreciation for the cooperation we received from the officers and employees of the Authority with whom we worked to discharge our responsibilities.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is stylized, with the "D" being large and looped, and the "LLP" being written in a more straightforward, cursive-like script.

Chartered Professional Accountants

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# Audit scope matters

Canadian GAAS require that we communicate to the Audit Committee on the following matters:

<b>Status of our audit</b>	<p>We expect to be in a position to render our audit opinion dated June 7, 2017 on the financial statements of the Authority following approval of the financial statements by the Board of Directors and the completion of the following outstanding procedures:</p> <ul style="list-style-type: none"><li>• Receipt of signed management representation letter and update of subsequent events to audit report date</li><li>• Receipt of legal letters</li><li>• Minor documentation items</li><li>• Approval of the financial statements by the Board of Directors at the recommendation of the Audit Committee</li></ul>
<b>Materiality</b>	<p>Materiality is the magnitude of misstatements, including omissions, in the financial statements that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the financial statement users. Judgments about materiality are made in the light of surrounding circumstances, and are affected by our perception of the information needs of the financial statement users, and by the size or nature of a misstatement, or a combination of both. We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.</p> <p>Materiality levels are determined using professional judgment and calculated using a percentage of revenue for the year ended December 31, 2016. Materiality for the December 31, 2016 audit was \$700,000 (2015, \$810,000).</p>
<b>Audit strategy and scope</b> <b>Changes to the audit plan</b>	<p>The audit planning and the preliminary risk assessment activities we conduct enable us to set the scope of our audit and to design procedures tailored to that scope.</p> <p>Our audit of the financial statements is designed to obtain reasonable, rather than absolute, assurance as to whether the financial statements are free of material misstatement.</p> <p>The audit was conducted in accordance with our audit plan, which was communicated to the Audit Committee on November 23, 2016. We confirm that there have been no significant amendments to the audit scope and approach communicated in the audit plan.</p>
<b>Management judgment and accounting estimates</b>	<p>Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. These judgments are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.</p> <p>In our judgment, the significant accounting estimates made by management are in all material respects, free of possible management bias and of material misstatement. The disclosures in the financial statements around estimation uncertainty are in accordance with Canadian Public Sector Accounting Standards ("PSAS") and are appropriate to the particular circumstances of the Authority.</p> <p>During the year ended December 31, 2016, management advised us that there were no significant changes in accounting estimates or in judgments relating to the application of the accounting policies.</p>
<b>Disagreements with management</b>	<p>In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.</p>

<b>Consultation with other accountants</b>	Management has informed us that the Authority has not consulted with other accountants about auditing or accounting matters.
<b>Legal and regulatory compliance</b>	<p>Management is responsible for ensuring that operations of the Authority are conducted in accordance with the laws and regulations applicable to the Authority in the jurisdictions in which it operates. The responsibility for preventing and detecting non-compliance rests with management.</p> <p>The auditor is not and cannot be held responsible for preventing non-compliance with laws and regulations.</p> <p>Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the Authority.</p>
<b>Post-statement of financial position financial events</b>	<p>Management is responsible for assessing subsequent events up to the date of the release of the financial statements.</p> <p>At the date of finalizing this report, we are not aware of any significant post statement of financial position events which require adjustment or disclosure in the financial statements. We will update our subsequent events procedures to the audit report date with management prior to the issuance of our audit report.</p>
<b>Management representation letter</b>	A draft version of the management representation letter to be signed by management is included in Appendix 3.
<b>Independence</b>	<p>We have developed appropriate safeguards and procedures to eliminate threats to our independence or to reduce them to an acceptable level.</p> <p>As required under Canadian GAAS, we have reported all relationships and other relevant matters that, in our professional judgment, may reasonably be thought to bear on our independence. We have provided a draft version of the independence letter we intend to use to confirm our independence for the year ended December 31, 2016 in Appendix 2.</p>
<b>Fees</b>	<p>We communicated our proposed audit fees of \$38,000 (2015, \$38,000), excluding the 7% administrative charge and GST.</p> <p>There have been no changes to these proposed fees.</p>
<b>Communications</b>	<p>As part of our audit plan, we committed to communicate certain matters to the Audit Committee on a regular basis or as specified events occur.</p> <p>A summary of our communications is provided in Appendix 4.</p>

# Audit findings

This report summarizes the main findings arising from our audit

<b>Internal control</b>	<p>We obtained an understanding of internal control relevant to the audit, however not all controls are relevant to every audit. We evaluated the design of controls relevant to the audit and determined whether they have been implemented. We are not, however, required in a non-integrated audit to determine whether all relevant controls are operating effectively. Although not required by Canadian GAAS, we may decide that, for a particular engagement, it makes sense to rely on the effective operation of some controls to determine the planned substantive procedures we will perform.</p> <p>In such cases, we would go beyond evaluating the design of relevant controls and determining whether they have been implemented to also test whether the controls on which we intend to rely are operating effectively.</p> <p>In our audit of the Authority's financial statements, we applied a substantive audit approach to testing of account balances and as such, we did not rely on internal controls.</p>
<b>Uncorrected misstatements</b>	<p>We are required to report all uncorrected misstatements greater than \$35,000 (2015, \$40,500), which is computed as 5% of materiality, and those that are quantitatively insignificant but qualitatively significant. In accordance with Canadian GAAS, we request that all misstatements be corrected.</p> <p>There were no uncorrected misstatements identified during the audit. All misstatements detected in our audit have been corrected by Administration. Please see Appendix 3.</p>
<b>Unadjusted disclosure deficiencies</b>	<p>We have no unadjusted disclosure deficiencies to report to you.</p>
<b>Conclusion</b>	<p>In accordance with Canadian GAAS, our audit is designed to enable us to express an opinion on the fairness of the presentation of the Authority's annual financial statements prepared in accordance with PSAS.</p> <p>No restrictions have been placed on the scope of our audit. In performing the audit, we were given full and complete access to the accounting records, supporting documentation and other information requested.</p> <p>We intend to issue an unmodified audit report on the financial statements of the Authority as of and for the year ended December 31, 2016 once the outstanding items referred to above are completed satisfactorily and the financial statements are approved by the Board of Directors.</p> <p>A draft version of our Auditor's report is included in Appendix 1.</p>

# Audit risks

Our audit plan identified certain areas that we refer to as significant risks. The results of our audit work on these risks are set out below:

## Significant risks

Areas of risk	Our audit response	Our conclusion
Management override of controls	<p>Professional auditing standards require us to presume management override of controls to be an area of risk of material misstatement due to fraud.</p> <p>To test the risk of management override of controls, we engaged in fraud discussions with certain members of senior management and the Authority's Audit Committee.</p> <p>We considered the potential for bias in judgments and estimates, including performing retrospective analysis of significant accounting estimates.</p> <p>We evaluated the business rationale for any significant unusual transactions.</p> <p>We evaluated the Authority's fraud risk assessment and considered entity-level internal controls and internal controls over the closing and reporting process.</p> <p>We also tested journal entries that exhibit characteristics of possible management override of controls.</p>	We conclude that there were no issues noted relating to management override of controls in the context of the financial statements taken as a whole.

## Areas of focus

Areas of Focus	Our Audit Response	Our Conclusion
Completeness of accounts payable and accrued liabilities	We reviewed and tested a sample of transactions recorded subsequent to year end to identify any unrecorded liabilities. We also reviewed Board minutes, unpaid invoices, sent legal confirmations, held discussions with management and relied on our knowledge of the Authority to identify any unrecorded liabilities.	Overall, we conclude that accounts payable and accrued liabilities are fairly stated, appropriately classified and properly disclosed in the context of the financial statements taken as a whole.
Accuracy, recording and presentation of major replacement reserve	We reviewed expenditures charged to the reserve and vouched a sample of expenditures to invoices to verify that the item was accurately accounted for under PSAS guidance.	Overall, we conclude that major replacement reserve is fairly stated, appropriately classified and properly disclosed in the context of the financial statements taken as a whole.



# Appendix 1 – Draft version of our auditor's reports

Our reports on the financial statements are expected to be in the following form. However, the final form may need to be adjusted to reflect the final results of our audit.

## Independent Auditor's Report

To the Directors of the Calgary Convention Centre Authority

We have audited the accompanying financial statements of the Calgary Convention Centre Authority, which comprise the statement of financial position as at December 31, 2016 and the statements of revenue, expenses and operating reserve, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, 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 the Calgary Convention Centre Authority as at December 31, 2016 and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants  
June 7, 2017

## MC & IT Marketing Funding and Management Agreement

# Independent Auditor's Report

To The Directors of the  
The Calgary Convention Centre Authority

We have audited the accompanying schedule of expenditures of The Calgary Convention Centre Authority relating to the MC&IT Marketing Funding and Management Agreement for the year ended December 31, 2016 (the "Schedule"). The Schedule has been prepared by management based on financial reporting provisions of section 7.1 of the MC&IT Marketing Funding and Management Agreement (the "Agreement").

### Management's Responsibility for the Schedule

Management is responsible for the preparation of the Schedule in accordance with the Agreement, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule 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 information in the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, 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 Schedule 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 Schedule.

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 Schedule for the year ended December 31, 2016 is prepared, in all material respects, in accordance with the Agreement.

**Basis of Accounting Restriction on Distribution**

Without modifying our opinion, we draw attention to Note 1 of the Schedule which describes the basis of accounting. The Schedule is prepared to assist The Calgary Convention Centre Authority to meet the requirements of the Agreement. As a result, the Schedule may not be suitable for another purpose. Our report is intended solely for The Calgary Convention Centre Authority and the Calgary Hotel Association and should not be distributed to parties other than The Calgary Convention Centre Authority and the Calgary Hotel Association.

Chartered Professional Accountants  
June 7, 2017

# Appendix 2– Draft independence

June 7, 2017

The Members of the Audit Committee and Board of Directors of  
the Calgary Convention Centre Authority

Dear Audit Committee Members:

We have been engaged to audit the financial statements of Calgary Convention Centre Authority (the “Authority”) for the year ended December 31, 2016.

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 Authority, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us 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, we have considered relevant rules and related interpretations prescribed by the appropriate provincial regulator / 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 June 8, 2016, the date of our last letter.

We are not aware of any relationships between the Authority and our Firm, including any network firms that, in our professional judgment, may reasonably be thought to bear on independence, that have occurred from June 9, 2016 to June 7, 2017.

The total fees charged to the Authority for audit services were \$42,720 during the period covered by the financial statements.

We hereby confirm that we are independent with respect to the Authority in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta as of June 7, 2017.

This letter is intended solely for the use of Audit Committee, Board of Directors, management and others within the Company and should not be used for any other purposes.

Yours truly,

Chartered Professional Accountants

# Appendix 3– Draft management representation letter

## [Client Letterhead]

June 7, 2017

Deloitte LLP  
700, 850 - 2 Street SW  
Calgary, AB T2P 0R8

Dear Sirs:

**Subject:** Financial Statements of the Calgary Convention Centre Authority as at and for the year ended December 31, 2016

This representation letter is provided in connection with the audit by Deloitte LLP ("Deloitte" or "you") of the financial statements of the Calgary Convention Centre Authority (the "Authority") for the year ended December 31, 2016 (the "Financial Statements") for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, cash flows and change in net debt of the Authority in accordance with Public Sector Accounting Standards ("PSAS").

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **Financial statements**

1. We have fulfilled our responsibilities as set out in the terms of the engagement letter between the Authority and Deloitte dated November 23, 2016 for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Authority as at December 31, 2016, and the results of its operations and cash flows for the year then ended in accordance with PSAS.

Significant assumptions used in making estimates, including those measured at fair value, are reasonable.

2. In preparing the Financial Statements in accordance with PSAS, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with PSAS. The Authority has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements.

The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to December 31, 2016 that require adjustment to the estimates and disclosures included in the Financial Statements.

There are no changes in management's method of determining significant estimates in the current year.

3. We have determined that the Financial Statements are complete as of the date of this letter as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected, all final adjusting journal entries have been reflected in the Financial Statements and the Financial Statements have been approved in accordance with our process to finalize financial statements.
4. We have completed our review of events after December 31, 2016 and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which PSAS require adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
5. The Financial Statements are free of material errors and omissions.
6. The Authority has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.

### **Information provided**

7. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters. All financial statements and other financial information provided to you accurately reflect the activities and expenses of the Authority and do not reflect any activities or expenses of any other person or entity;
  - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
8. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.



9. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
10. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the Financial Statements.
11. We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's Financial Statements and all knowledge of concerns or allegations of potential errors in the selection of accounting policies or the recording of transactions affecting the Authority that have been communicated by employees, former employees or others, whether written or oral.
12. We have disclosed to you all communications from and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
13. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.
14. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
15. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.
16. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.
17. We have disclosed to you, and the Authority has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
18. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

### **Independence matters**

For purposes of the following paragraph, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

19. Prior to the Authority having any substantive employment conversations with a former or current Deloitte engagement team member, the Authority has held discussions with Deloitte and obtained approval from the Audit Committee.

### **Accounting policies**

- 20. The accounting policies selected and application of those policies are appropriate.
- 21. The Authority's accounting policies and their method of application have been applied on a basis consistent with that of the audited Financial Statements as of and for the year ended December 31, 2015.
- 22. We believe that revenue recognition of show services and materials handling on a gross basis is preferable to recognition based on a net basis because the relationship with the vendor meets the criterion for revenue recognition in accordance with PSAS.

### **Management's responsibilities**

- 23. All transactions and events have been carried out in accordance with law, regulation or other authority.

### **Receivables**

- 24. The Authority is responsible for determining and maintaining the adequacy of the allowance for doubtful accounts receivable, as well as estimates used to determine such amounts. Management believes the allowance is adequate to absorb currently estimated bad debts in the account balance.

### **Adjusting journal entries**

- 25. We have reviewed the year-end adjusting entries, if applicable, and acknowledge our responsibility for their accuracy.

### **Government transfers**

- 26. We have disclosed to you all correspondence relating to government transfers that the Authority has had with the funding body.
- 27. We have assessed the eligibility criteria and determined that the Authority is an eligible recipient for the government transfers received.
- 28. We have assessed the stipulations attached with the funding and have recognized the revenue in accordance with meeting the stipulations required.
- 29. All government transfers that have been recorded as unearned revenue give rise to an obligation that meets the definition of a liability. Those liabilities have been properly recorded and presented in the Financial Statements.

### **Adoption of Section 3260 – *Liability for contaminated sites***

- 30. The Authority was required to adopt Section 3260, *Liability for contaminated sites*. As the Authority does not own any physical sites or property, this accounting standard is not applicable to the year-end financial statements.

## **City of Calgary Capital Asset Policy**

31. The Authority is aware of The City of Calgary's change in Capital Asset Policy for Buildings and Engineered Structures for the year ended December 31, 2016. Management has reviewed and understands the policy. Management has complied with the policy and has determined that there is no impact of the change in accounting policy on the fiscal 2016 Financial Statements.

Yours truly,

**Calgary Convention Centre Authority**

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Clark Grue, President & CEO

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Maria Tobias-Antal, Controller

# Appendix A

## Calgary Convention Centre Authority

Summary of corrected and uncorrected financial statement misstatements  
Year ended December 31, 2016

No uncorrected misstatements

### Summary of corrected misstatements

Title	Accounts impacted	Description	Statement of Financial Position DR (CR)	Statement of Operations DR (CR)
Reversal of Tangible Capital Asset Work In Progress recognition	Accrued Liabilities  TCA - WIP	Reversal of work in progress items and associated liability given no transaction occurred before December 31, 2016 for these.	\$856,250  (\$856,250)	
Reclassification of Cash to Investments	Cash  Investments	Reclassification of cash to investments to reflect the maturity date of the investments.	(\$936,294)  \$936,294	

# **Appendix B**

## **Calgary Convention Centre Authority**

Summary of disclosure items passed  
Year ended December 31, 2016

None noted

# Appendix 4– Communication requirements

In our audit plan, we committed to communicate certain items to the Audit Committee on a regular basis or as specified events occur. These items are summarized below.

Required communication	Refer to this report or document described below
1. Our responsibilities under GAAS	Audit plan communicated on November 23, 2016
2. Our audit strategy and scope, including our approach to auditing financial information of components of the group audit and our planned involvement in work performed by component auditors	Audit plan communicated on November 23, 2016
3. Management judgment and accounting estimates	Management judgment and accounting estimates
4. Audit adjustments	None noted
5. Uncorrected and corrected misstatements and disclosure deficiencies	None noted
6. Our views about significant qualitative aspects of The Authority's accounting practices, including accounting policies, accounting estimates and financial statement disclosures	Management judgment and accounting estimates
7. Disagreements with management	There were no disagreements with management during the audit of the 2016 financial statements
8. Significant difficulties, if any, encountered during the audit	No significant difficulties encountered in performing the audit
9. All deficiencies in internal control that existed as of the date of management's assessment that were concluded to be material weaknesses in internal control.	No significant deficiencies in internal control were identified
10. Material written communications between management and us	Engagement letter and audit plan dated November 23, 2016 and this year-end report
11. All relationships between The Authority and us that, in our professional judgment, may reasonably be thought to bear on independence	Independence letter - Appendix 2
12. A statement that, in our judgment, our engagement team and others in our firm as appropriate, our firm itself and, when applicable, network firms have complied with relevant ethical requirements regarding independence	Independence letter – Appendix 2
13. Illegal or possibly illegal acts	None identified based on audit procedures performed for the year ended December 31, 2016

Required communication	Refer to this report or document described below
14. Fraud or possible fraud identified through the audit process	None identified based on audit procedures performed for the year ended December 31, 2016
15. Non-compliance with laws and regulations that come to the auditor's attention	Legal and regulatory compliance
16. Limitations placed on our scope	Audit strategy and scope. No limitations were placed on our audit scope.
17. Written management representations the auditor is requesting	Management representation letter – Appendix 3
18. A discussion of the Authority's annual audited financial statements.	To be discussed at our meeting on May 9, 2017