

## Audit Status

We have completed the audit with the exception of:

- Discussions with the Finance and Audit Committee
- Council's approval of the financial statements
- Obtaining the signed management representation letter
- Completing subsequent event review procedures

We anticipate issuing a "clean" audit opinion.

We received the full cooperation of management throughout the audit.

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## Areas of focus

- Management override
- · Professional standards
- · Required procedures
- · Satisfied in our findings

## - Areas of audit focus (no issues noted):

- · Tangible capital assets and developer contributed capital assets
- · Cash and investments
- · Revenues and receivables management
- · Salaries and benefits
- · Expenses, procurement and payables
- COVID-19

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# Audit response to financial reporting impacts of COVID-19

- We performed substantive analytical procedures over User Fee and Sale of Services revenues specifically related to:
  - · Recreation programs revenue decline
  - · Casino revenue decline
  - Vancouver Island Conference Centre revenue decline
- We worked with management to customize the wording of COVID related disclosures for the City's specific situation

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## New auditing standard

## Standard Overview The new standard was effective for the City's 2020 fiscal year-end. CAS 540 Auditing Impact on the audit: Accounting Estimates and Related Disclosures Performed granular risk assessment to identify estimates which may result in a material misstatement due to estimation uncertainty, subjectivity and/or complexity. We concluded that the compensated absences and termination benefits estimate had a risk of material misstatement due to estimation uncertainty that was greater than remote. In response we analyzed in detail each of the components of the estimate (method, data, assumptions). Additional detailed written representations were required from management. No issues were noted as a result of these additional procedures. KPMG

## Audit differences

#### One corrected audit disclosure difference:

 Decrease of \$330K to contractual rights disclosure to exclude contract liabilities based on variable future revenues.

Minor presentation and disclosure adjustments

No uncorrected adjustments



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# Management letter

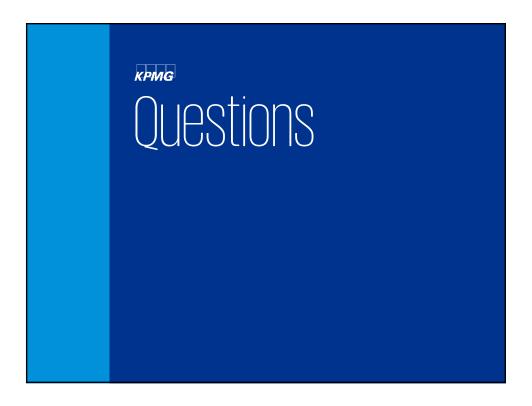
Update on previous year's other control deficiencies in internal controls over financial reporting related to:

• Expense report review, authorization and policies

No significant or other control deficiencies identified in the current year to bring to the Committee's attention

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