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Audit Status

We have completed the audit with the exception of:

- *Discussions with the Finance and Audit Committee*
- *Council's acceptance 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.

We confirm our independence in accordance with professional standards.

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Risks and areas of focus

Management override risk

- Professional standards
- Required procedures
- Satisfied in our findings

Areas of audit focus:

- Revenue and receivables
- Expenditures other than salaries and benefits
- Salaries and benefits
- Capital assets
- Cash, investments and debt



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Audit differences

There were two uncorrected audit differences noted in the 2023 comparative figures and one uncorrected audit difference noted in 2024. These uncorrected errors are not considered material therefore have no impact on our audit opinion.

2024 uncorrected difference:

- Revenue recognized from climate action grants is overstated by \$466K, deferred revenue understated by \$969K and opening accumulated surplus is overstated by \$503K.

2023 uncorrected differences:

- Revenue recognized from climate action grants is overstated by \$178K, deferred revenue understated by \$503K and opening accumulated surplus is overstated by \$325K.
- Accounts receivable and deferred revenue are both overstated by \$785K related to Xplor system future bookings



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Control observations

Significant deficiencies

No significant deficiencies in internal controls over financial reporting noted.

Other observations

No other control observations noted.



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Upcoming accounting standards changes

Conceptual Framework – applicable in 2027

The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.

PS 1202 Financial statement presentation – applicable in 2027

The proposed section will require changes to the presentation of the statement of financial position, inclusion of a new statement of net financial assets/liabilities and removal of the statement of rereasurement gains (losses). Additional disclosures related to risks and uncertainties that could affect the entity's financial position will also be required.



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Questions

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