

STAFF REPORT TO FINANCE AND AUDIT COMMITTEE

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DATE: May 6, 2021

TO: STANDING COMMITTEE ON FINANCE AND AUDIT

NAME AND TITLE: Kris Dalio, Director of Finance

SUBJECT: 2020 Financial Statements and Audit

ATTACHMENT(S): 2020 Financial Statements
KPMG Presentation for the City of Prince George's 2020 Financial Statements
KPMG Audit Findings Report for the Year Ended December 31, 2020

RECOMMENDATION(S):

That the Standing Committee on Finance and Audit:

1. RECEIVES FOR INFORMATION the presentation from KPMG LLP with respect to the 2020 Financial Statements; and
2. APPROVES the 2020 Financial Statements as attached to the report dated May 6, 2021 from the Director of Finance titled "2020 Financial Statements and Audit".

PURPOSE:

The purpose of this report is to present information related to the 2020 Year End Audit and results of that audit and to obtain approval of the 2020 Financial Statements by the Finance and Audit Committee before the May 15th statutory deadline. Committee members are encouraged to discuss and comment on any of the items included in the recommendations.

STRATEGIC PRIORITIES:

The City's Financial Statements and Audit support Council's Priorities of "Sustainable Fiscal Management" and "Organizational Excellence".

BACKGROUND:

The 2020 year-end audit commenced with interim fieldwork in late 2020 and continued with audit work and the final review until the date of this report. This timeframe reflects the considerable effort that is required in order to complete the financial statements. I'd like to recognize the expertise and efforts of Terri Johnson and Fyfe Halvorson for their role in coordinating the input and assistance of numerous City staff across all departments.

The financial statements contain the City's consolidated financial statements and notes to those statements which represent the overall financial position as of December 31, 2020. The supplementary information provides results by fund for segment disclosure, as well as details of tangible capital assets, balances in reserves and trust funds and debt liability.

Management is responsible for decisions relating to the form and content of these statements and for the treatment and reporting of transactions. The City consults with and receives guidance from its auditors with respect to the treatment and presentation of the financial information.

I would like to acknowledge the commitment of the KPMG staff in the completion of the audit and especially Micaela Roque and Corey Naphtali for their advice and expertise.

OTHER CONSIDERATIONS:

2020 Management Letter and Audit Findings Report

A management letter from the auditor results from observations made during the course of the audit and discloses certain matters that came to the auditors' attention that they believe warrant the Committee's consideration. KPMG LLP has not issued a management letter this year and the auditors were satisfied that appropriate controls and systems are in place to produce accurate and timely financial information. KPMG has also issued an Audit Findings Report, attached to this report, which summarizes their areas of audit focus, adjustments and other observations.

2020 Audit Results Presentation

The City's financial statements are produced in accordance with the accounting standards, as set by the Public Sector Accounting Board. The consolidated statements include the Prince George Public Library and Tourism Prince George. Our audit firm of KPMG LLP has audited the statements and prepared an opinion of these statements in presentation form to present to the Committee.

2020 Financial Statements

The *Community Charter* (section 167) requires that the municipality submit its audited financial statements and financial information to the Ministry of Municipal Affairs and Housing before May 15th each year. Council has delegated the authority to approve the financial statements to the Standing Committee on Finance and Audit and they have been presented to the Committee for approval.

SUMMARY AND CONCLUSION:

The 2020 Audit Results opinion presentation and the 2020 Financial Statements have been prepared for review and approval by the Committee. Upon their approval by the Committee, the financial statements will be submitted to the Ministry of Municipal Affairs and Housing.

RESPECTFULLY SUBMITTED:

Kris Dalio, Director of Finance

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: [2021/05/10]