



Tourism Prince George

2020 Audit Findings

Report to the Board of Directors

December 31, 2020

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OVERVIEW

We are pleased to submit to you this Audit Findings Report (the "Report") for discussion of our audit of the financial statements of Tourism Prince George (the "Society") as at December 31, 2020 and for the year then ended. In this report we cover those significant matters which, in our opinion, you should be aware of as members of the Board of Directors.

As auditors, we report to the members on the results of our examination of the financial statements of the Society as at and for the year ended December 31, 2020. The purpose of this Report is to assist you, as members of the Board of Directors, in your review of the results of our audit.

This Report is intended solely for the information and use of the Board of Directors and management and should not be distributed to or used by any other parties than these specified parties.

We appreciate having the opportunity to meet with you and to respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

ENGAGEMENT STATUS

We have completed our audit of the financial statements of the Society which has been carried out in accordance with Canadian generally accepted auditing standards and are prepared to sign our Independent Auditor's Report subsequent to completion of the following procedures:

- Receipt of the signed management representation letter;
- Discussion of subsequent events with the Board of Directors;
- The Board of Directors' review and approval of the financial statements.

No significant limitations were placed on the scope or timing of our audit.

INDEPENDENT AUDITOR'S REPORT




We expect to have the above procedures completed and to release our Independent Auditor's Report on March 17, 2020.





Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the members of the Society. A draft copy of our proposed Independent Auditor's Report has been included with this report. The matters disclosed in the Independent Auditor's Report are discussed further in the relevant sections of the Report.

AUDIT REPORTING MATTERS

Our audit was carried out in accordance with Canadian generally accepted auditing standards, and included a review of all significant accounting and management reporting systems, with each material year end balance, key transaction and other events considered significant to the financial statements considered separately.

SIGNIFICANT AUDIT, ACCOUNTING AND REPORTING MATTERS

AREA	COMMENTS
 CHANGES FROM AUDIT SERVICE PLAN	There were no deviations from the Audit Service Plan previously presented to you
 FINAL MATERIALITY	Final materiality used for our audit was \$72,000 for December 31, 2020, and \$72,000 for December 31, 2019.
 IDENTIFIED OR SUSPECTED FRAUD	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected

AREA	COMMENTS
	fraud, came to our attention in the course of our audit.
 AUDITOR'S VIEWS OF SIGNIFICANT ACCOUNTING PRACTICES, ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES	<p>The application of Canadian accounting standards for not-for-profit organizations allows and requires the Society to make accounting estimates and judgments regarding accounting policies and financial statement disclosures.</p> <p>As auditors, we are uniquely positioned to provide open and objective feedback regarding your Society's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.</p> <p>The accounting policies used by the Society are appropriate and have been consistently applied.</p>
 FINANCIAL STATEMENT DISCLOSURES	<p>The disclosures made in the notes to the financial statements appear clear, neutral and consistent with our understanding of the entity and the amounts presented in the financial statements.</p>
 SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROL	<p>While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency we have detected significant deficiencies in internal controls, which are included with this report and in the Management Letter provided.</p>
 MATTERS ARISING FROM DISCUSSIONS WITH MANAGEMENT	<p>There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.</p>

SIGNIFICANT RISK AREAS AND RESPONSES

SIGNIFICANT RISK AREA	RESPONSE AND CONCLUSION
<p>Sale of goods/rendering of services</p> <p>Revenue from City of PG and hotel tax is misstated because revenue is recorded that has not been earned, revenue has been earned but not recorded or not recorded in the correct period, or has been incorrectly recorded.</p>	<p>MNP obtains a confirmation from the Clty and agrees the balance received to the Society's general ledger. Revenue balance from the Clty of Prince George is not materially mistated</p>

OTHER AREAS

AREA	COMMENTS
AUDITOR INDEPENDENCE	We confirm to the Board of Directors that we are independent of the Society.
MANAGEMENT REPRESENTATIONS	We have requested certain written representations from management, which represent a confirmation of certain oral representations given to us during the course of our audit. This letter, provided by management, has been included as additional material to this report.
SUMMARY OF SIGNIFICANT DIFFERENCES	A few significant differences were proposed to management with respect to the December 31, 2020 financial statements. A summary of significant differences has been included with this report.

SUMMARY OF SIGNIFICANT DIFFERENCES

SIGNIFICANT ADJUSTED DIFFERENCES

DIFFERENCES NOTED AND ITEMS AFFECTED	BALANCE SHEET	EARNINGS
Reclassification of rebranding costs	\$ 66,766	\$ (66,766)
recording of amortization for capital assets	\$ (36,230)	\$ 36,230
Capital items expensed during the year	\$ 14,415	\$ (14,415)
Adjustment to revenue recognized - moved to deferred revenue	\$ (69,315)	\$ 69,315
Inventory adjustment	\$ 3,443	\$ (3,443)
Aggregate of all other adjusted differences	\$ 5,295	\$ (5,295)
Total Adjusted Differences (Income Effect)		\$ 15,626

SIGNIFICANT UNADJUSTED DIFFERENCES

DIFFERENCES NOTED AND ITEMS AFFECTED	BALANCE SHEET	EARNINGS
Aggregate of all other unadjusted differences	\$ 2,035	\$ (2,035)
Total Unadjusted Differences (Income Effect)		\$ (2,035)

We appreciate having the opportunity to meet with you and respond to any questions you may have about our audit, and to discuss any other matters that may be of interest to you.

Sincerely,

MNP LLP

Chartered Professional Accountants

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