



Port of Johnstown

2022 Audit Findings

Report to the Port Management Committee

December 31, 2022

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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 Port of Johnstown (the "Company") as at December 31, 2022 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 Port Management Committee.

As auditors, we report to the members on the results of our examination of the financial statements of the Company as at and for the year ended December 31, 2022. The purpose of this Report is to assist you, as members of the Port Management Committee, in your review of the results of our audit.

This Report is intended solely for the information and use of the Port Management Committee 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 substantially completed our audit of the financial statements of the Company 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 remaining outstanding legal confirmations;
- Receipt of the signed management representation letter;
- Receipt of external confirmations sent to third parties;
- Discussion of subsequent events with the Port Management Committee;
- the Port Management Committee 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 May 29, 2023.




Unless unforeseen complications arise, our Independent Auditor's Report will provide an unmodified opinion to the members of the Company. 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 was a change to audit procedures from the Audit Service Plan previously presented to you: overall materiality increased from \$355,000 to \$400,000.
	Final Materiality	Final materiality used for our audit was \$400,000 for December 31, 2022, and \$355,000 for December 31, 2021.
	Identified or Suspected Fraud	While our audit cannot be relied upon to detect all instances of fraud, no incidents of fraud, or suspected fraud, came to our attention in the course of our audit.
	Identified or Suspected Non-Compliance with Laws and Regulations	Nothing has come to our attention that would suggest any non-compliance with laws and regulations that would have a material effect on the financial statements.
	Matters Arising in Connection with Related Parties	No significant matters arose during the course of our audit in connection with related parties of the Company.
	Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates	<p>The application of International Financial Reporting Standards allows and requires the Company 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 Company's accounting practices, and have noted the following items during the course of our audit that we wish to bring to your attention.</p>

Area		Comments
		The accounting policies used by the Company are appropriate and have been consistently applied.
	Financial Statement Disclosures	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.
	Significant Deficiencies in Internal Control	While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, no significant deficiencies in internal control have come to our attention. Our management letter outlines additional internal control observations and recommendations.
	Matters Arising From Discussions with Management	There were no significant matters discussed, or subject to correspondence, with management that in our judgment need be brought to your attention.

Significant Risk Areas and Responses

Significant Risk Area	Response and Conclusion
Management override of controls There is a presumed risk of management override of controls in all entities	MNP tested adjusting journal entries posted by management throughout the year based on criteria set by the audit engagement team.
Revenues Revenue could be recorded in the wrong period	MNP tested cut-off to gain a high degree of comfort over revenues to ensure they are being recorded in the proper period as well as tested adjusting journal entries posted by management with any unusual account combinations affecting revenue.

Other Areas

Area	Comments
Auditor Independence	We confirm to the Port Management Committee that we are independent of the Company. Our letter to the Port Management Committee discussing our independence is included as part of the additional materials attached to this report.

Area	Comments
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, 2022 financial statements. A summary of significant differences has been included with this report.
Other Information	<p>Pursuant to our responsibilities under Canadian generally accepted auditing standards, we have reviewed other financial and non-financial information included in documents containing the financial statements and our auditor's report thereon. We review these documents for the purpose of ensuring their content does not contradict information derived from our audit procedures.</p> <p>In reviewing the other information, we did not note any material inconsistencies with the financial statements.</p>

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
Licensed Public Accountants

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Appendix A - Summary of Significant Differences

Description of Differences	Proposed Adjustments Dr (Cr)				
	Earnings		Balance Sheet		
	Identified	Likely Aggregate (Net of Tax)	Assets	Liabilities	Equity
ADJUSTED - To correct amortization, as amortization expense was incorrectly booked to contributed assets that were already fully amortized.	\$ -	\$ -	\$ 858,348	\$ (858,348)	\$ -
ADJUSTED - To correct investments, as there were movements during year incorrectly put to unrealized instead of realized and management fees not booked.	\$ -	\$ -	\$ -	\$ -	\$ -
ADJUSTED - To correct OCI, and fully closeout as fixed rate investments in bond portfolio were sold.	\$ -	\$ -	\$ -	\$ -	\$ -
Unadjusted - Potential Differences - extrapolated differences above trivial noted in accrued liabilities testing	\$ -	\$ 41,696	\$ -	\$ (41,696)	\$ 41,696
Total	\$ -	\$ 41,696	\$ 858,348	\$ (900,044)	\$ 41,696

Appendix A - Summary of Significant Differences (continued from previous page)

Description of Differences	Proposed Adjustments Dr (Cr)				
	Earnings		Balance Sheet		
	Identified	Likely Aggregate (Net of Tax)	Assets	Liabilities	Equity
Differences corrected by management	\$ -	\$ -	\$ 858,348	\$ (858,348)	\$ -
Current period differences	\$ -	\$ 41,696	\$ -	\$ (41,696)	\$ 41,696
Final overall materiality	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000
Excess (shortfall)	\$ 400,000	\$ 358,304	\$ 400,000	\$ 358,304	\$ 358,304

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Being 100% Canadian is something we wear proudly. This country provides us with great opportunities, and we're here to help our clients seize the opportunities so we can create a brighter future for the generations to come.



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