Tourism London

2025 Audit Findings

Report to the Board of Directors

December 31, 2025

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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 London (the "Organization") as at December 31, 2025 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. A summary of required communications with those charged with governance, as outlined by Canadian Auditing Standards (CAS), is included in Appendix A.

As auditors, we report to the members on the results of our examination of the financial statements of the Organization as at and for the year ended December 31, 2025. 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 Organization which has been carried out in accordance with Canadian generally accepted auditing standards.

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

Independent Auditor's Report

Our Independent Auditor's Report provides an unmodified opinion to the members of the Organization. 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 $234,000 for December 31, 2025.
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 Organization.
Going Concern	No events or conditions were identified that may cast significant doubt on the Organization's ability to continue as a going concern.
Auditor's Views of Significant Accounting Practices, Accounting Policies and Accounting Estimates	The application of Canadian accounting standards for not-for-profit organizations allows and requires the Organization to make accounting estimates and judgments regarding accounting policies and financial statement disclosures. The accounting policies used by the Organization 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.

Area	Comments
Significant Deficiencies in Internal Control	While our review of controls was not sufficient to express an opinion as to their effectiveness or efficiency, there were no significant deficiencies in internal controls that have come to our attention in the course of our audit.
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
Fraud risk from management override of controls	We incorporate this risk into procedures including testing of journal entries, retrospective review of estimates and evaluation of the business rationale for significant unusual transactions. No items of concern in this area were identified during the audit.
Other revenue (Memberships, MAT, Grants, other)	We tested revenues at a high risk level and vouched all amounts to cash receipt. We reviewed terms of grant agreements and assessed grant related expenses to ensure legitimate and appropriately calculated as part of grant revenues earned. No items of concern in this area were identified during the audit.

Higher Risk Areas and Responses

Higher Risk Area	Response and Conclusion
Deferred revenue and restricted contributions Risk that deferred revenue has not been appropriately calculated.	We reviewed terms of grant agreements and assessed grant related expenses to ensure legitimate and appropriately calculated as part of grant revenues earned. We recalculated amounts to ensure grant revenues received and not yet eligible to report as revenue have been appropriately included in deferred revenue. As part of this review, we noted instances where grant funding was not appropriately accrued or deferred at year-end, resulting in a net impact to balance sheet accounts of $15,132. This was discussed with management, and enhancements to the year-end grant review process were recommended.

Other Areas

Area	Comments
Auditor Independence	We confirm to the Board of Directors that we are independent of the Organization. Our letter to the Board of Directors discussing our independence will be included as part of the final audit reporting package.
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.
Summary of Significant Differences	A few significant differences were proposed to management with respect to the December 31, 2025 financial statements. A summary of significant differences is attached to this report.

Summary of Significant Differences

Differences Noted and Items Affected	Balance Sheet	Earnings
To record allowance for doubtful accounts on MAT revenues not yet received by the City relating to 2019 and 2020.	$ (34,695)	$ 34,695
To record impact of reconciling differences in MAT revenue for 2025 and earlier, not captured until 2026.	$ 28,077	$ (28,077)
To record impact of unaccrued and underspent grant funding.	$ (15,132)	$ 15,132
To record impact of experiential marketing booth which was expensed instead of capitalized.	$ 102,780	$ (102,780)
Total Unadjusted Differences (Income Effect)		**$ (81,030)**

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,

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Appendix A - Communication Requirements

Required Communication with Those Charged with Governance

Recognizing the importance of effective two-way communication in an audit of financial statements, we wish to highlight the following areas of required communication between our audit team and those charged with governance.

Required Communication	Reference
AUDIT SERVICE PLAN	
• Our responsibilities in relation to the financial statement audit, including forming and expressing an opinion on the financial statements.	CAS 260.14
• An overview of the planned scope and timing of the audit, including communication of significant risks identified by the audit team.	CAS 260.15
INQUIRY IN THE COURSE OF THE AUDIT	
• How those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud and the controls that management has established to mitigate these risks.	CAS 240.21
• Knowledge of any actual, suspected or alleged fraud affecting the Organization.	CAS 240.22
• Whether the Organization is in compliance with laws and regulations.	CAS 250.15
• Whether any subsequent events have occurred which might affect the financial statements.	CAS 560.7(b)
AUDIT FINDINGS AND FINALIZATION	
• Any modification to our audit plan and strategy.	CAS 260.A26
• Fraud or suspected fraud identified through the audit process.	CAS 240.40 - .42
• Matters involving non-compliance with laws and regulations identified through the audit process, unless prohibited by law or regulation.	CAS 250.23

Appendix A - Communication Requirements (continued from previous page)

Required Communication	Reference
• Our views about significant qualitative aspects of the Organization's accounting practices, including accounting policies, accounting estimates and financial statement disclosures. ◦ When applicable, an explanation of why we consider a significant accounting practice that is acceptable under the applicable financial reporting framework, not to be most appropriate in the particular circumstances of your Organization.	CAS 260.16(a), CAS 260 Appendix 2
• Significant difficulties, if any, encountered during the audit.	CAS 260.16(b)
• Significant matters arising during the audit that were discussed or subject to correspondence, with management and the associated written representations requested of management.	CAS 260.16(c)
• Circumstances that affect the form and content of the auditor's report.	CAS 260.16(d)
• Any other significant matters arising during the audit that, in our professional judgment, are relevant to the oversight of the financial reporting process.	CAS 260.16(e)
• A statement of our compliance with relevant ethical requirements regarding independence, including disclosure of: ◦ All relationships or matters that in the auditor's professional judgment, may reasonably be thought to bear on independence, and ◦ The related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.	CAS 260.C17, .A32
• Significant deficiencies in internal control identified during the audit.	CAS 265.9
• Uncorrected misstatements and the effect that they, individually or in aggregate, may have on the opinion in the auditor's report.	CAS 450.12 - .13
• Significant matters arising during the audit in connection with the Organization's related parties.	CAS 550.27
• Events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern.	CAS 570.25

This list is not exhaustive. In addition to the communication requirements discussed above, other requirements exist which are contingent on specific circumstances arising in the course of an audit. The audit team applies professional judgment in determining areas of additional communication with those charged with governance outside of the requirements identified above.