

## **LONDON BRIDGE CENTRE – ENGAGEMENT RE FINANCIAL STATEMENTS**

*For discussion at Special Members' Meeting April 7, 2024*

Background - At LBC's Oct 1, 2023 AGM, a motion was passed to appoint Gary Westfall as auditor to perform a review of the financial statements for the year ending July 31, 2024.

Gary Westfall, CPA and Licensed Public Accountant, has been the auditor of LBC since 2016. He has been retained to do a Review Engagement, rather than a full Audit, and has done so for LBC's financial statements since incorporation on June 1, 2015.

Gary recently contacted LBC to inform us that his public accountant's license will not be renewed. While he will maintain his CPA, only licensed public accountants can perform audits and review engagements, so he will not be able to complete the intended review engagement for LBC's current fiscal year.

Corporations governed by the Ontario Not-for-Profit Corporations Act (ONCA) are required to appoint an Auditor and have either an Audit or Review Engagement performed. However Section 76 allows a corporation meeting specific criteria to opt out of this requirement by an extraordinary resolution passed by 80% of the votes cast at a meeting of members. LBC meets the criteria for opting out.

With his new status, Gary could perform a Compilation Engagement for LBC. While a Compilation Engagement does not require it, Gary would plan to do many of the procedures that he has undertaken for the Review Engagement. The Compilation Engagement would comply with the relevant Canadian accounting profession Standards.

While his report on the financial statements would only refer to the compilation and not offer any form of assurance on the financial information, he would raise questions to the LBC Board if he encountered anything in the compilation which he considered inappropriate.

His published opinion in LBC's most recent Financial Statements said "Based on my review, nothing has come to my attention that causes me to believe

that the financial statements do not present fairly, in all material respects, the financial position of London Bridge Centre, Inc. as at July 31, 2023, and the results of its operations and cash flows for the year ended in accordance with Canadian accounting standards for not for profit organizations.” The full proposed text of the report for the next financial statements is attached.

The Finance Committee met on March 4, 2024 and recommended to the Board on March 14, 2024 that LBC exercise the option under ONCA and retain Gary Westfall to do a Compilation Engagement rather than a Review Engagement for the current fiscal year. The Board accepted that recommendation and has called a Special Members Meeting on April 7, 2024 to seek approval of this change.

The motions to effect this change are:

1. That the appointment of Gary Westfall, CPA, as auditor to review the financial statements for the year ending July 31, 2024 be revoked.
2. That, as permitted by Section 76 of the Ontario Not-for-Profit Corporations Act, LBC will not appoint an Auditor and will not have an Audit nor a Review Engagement for the financial year ending July 31, 2024.
3. That Gary Westfall, CPA, be retained to perform a Compilation Engagement for the financial year ending July 31, 2024.

Note that motions 1 and 3 require a simple majority vote of those present; motion 2 requires 80% of the votes cast in order to pass.

Motions 2 and 3 will need to be presented at each Annual General Meeting in respect of the then-current fiscal year.

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## DRAFT - COMPILATION ENGAGEMENT REPORT - DRAFT

### To the Members

#### London Bridge Centre

On the basis of information provided by management, I have compiled the Statement of Financial Position of London Bridge Centre as at July 31 2024, and the Statements of Revenue and Expenses and Net Assets and Cash Flows for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information.

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

I performed this engagement in accordance with the Canadian Standard on Related Services (CSRS) 4200, Compilation Engagements, which requires me to comply with relevant ethical requirements. My responsibility is to assist management in the preparation of the financial information.

I did not perform an audit engagement or a review engagement, nor was I required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, I do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Brampton. Ontario

Date  
'September 2024

G J Westfall CPA