



37 Main Street
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**PROPOSAL FOR
EXTERNAL FINANCIAL AUDIT SERVICES
FOR
TORONTO ASSOCIATION OF BUSINESS IMPROVEMENT AREAS
BUSINESS IMPROVEMENT AREAS**

PRESENTED BY:

***KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS***

FEBRUARY 5, 2025



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Executive Summary

Thank you for the opportunity to quote on the annual audits of Toronto Business Improvement Areas (BIAs). As a boutique firm working with over 200 not-for-profit organizations, we believe we can provide the unique services the BIAs require.

We confirm the following:

- We have over 30 years' experience at a senior level conducting audits of not-for-profit organizations;
- We are current with respect to legislation relevant to the operations of not-for-profit organizations;
- We understand the BIAs' audit requirements;
- We have an in-depth understanding of Canadian Generally Accepted Auditing Standards and accounting standards.
- We are committed to completing the BIAs audit on a timely basis in accordance with your RFP;
- **To ensure that we can provide the audit services in a timely and professional manner our quote is for a maximum of five BIAs to be audited by our firm;**
- We are independent of your Organization;
- There is no actual or potential conflict of interest in preparing our audit proposal;
- There is no foreseeable actual or potential conflict of interest in performing the contractual obligations contemplated in the proposal call;
- We have the ability and experience to complete the annual audit successfully and on time;
- We have a current Public Accounting license and are current with our professional corporation status;
- We are members in good standing with the Chartered Professional Accountants of Canada and Chartered Professional Accountants of Ontario.

Our services include the following:

- Preparation and submission of our annual audit plan, audit planning letter, and audit engagement letter prior to commencement of the annual audit;
- Perform an examination of the Organization's records, schedules, and financial statements in accordance with Canadian Generally Accepted Auditing Standards (GAAS) to express an audit opinion on the financial statements;
- Present the draft annual financial statements and report to the BIA Board of Management for review and approval;
- Attendance at the City of Toronto Audit Committee to respond to any inquiries by the Committee;
- Presentation of the audited financial statements and report at the Annual General Meeting (AGM) to the members of the BIA.



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Contact Details:

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Kriens~LaRose, LLP Background Information

Kriens~LaRose, LLP (KL) is a two-partner firm located at 37 Main Street in Toronto. The firm was founded in 1997. We operate with one administrative staff, and nine full-time professional staff. We work as a client service accounting firm with a philosophy of exceeding our clients' expectations.

Our assurance division has focussed on the not-for-profit sector, cultivating long-term relationships based on mutual respect and trust. We have developed somewhat of a niche in the auditing of not-for-profit organizations. This practice area encompasses 90% of Thomas Kriens' practice. Our audit assignments include trade and professional organizations, churches, charities, foundations, health organizations, community organizations, non-profit housing organizations, for-profit companies owned by not-for-profit organizations, and condominium corporations. Our extensive involvement with not-for-profit organizations and continued partner involvement in the audits truly differentiates us from other firms.

At KL, we understand the value that not-for-profit organizations add and take immense pride in our involvement with over 200 not-for-profit organizations providing multifarious services to the greater community. We bring immense expertise and business acumen to the sector, performing audit engagements for a multitude of not-for-profit clients. Thomas Kriens acts as the partner leading the firm's not-for-profit group, with over 30 years of experience at a senior level and holds enormous passion for this segment.

As a firm dedicated to excellence in service to our not-for-profit clients, we add value to our clients given a sizeable portion of our practice is focused on the not-for profit sector, which provide us with depth and a unique understanding of the not-for-profit world, goals and mission of our clients, and their reporting needs.



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Audit Personnel

Our not-for profit audit team has been chosen based on their individual experience and professionalism in working in the not-for-profit sector. The background which our team bring allows us to provide audit and advisory services to our not-for-profit client to assist in achieving their objectives. Inclusion, Diversity, Equity, and Inclusion (IDEI) policy is a foundational element for our firm as we aim to create a workplace that respects and values individual differences. Our policy promotes a culture of belonging, where every employee has the opportunity to thrive at Kriens~LaRose.

Thomas Kriens (CPA, CA, LPA, BBM) is the Engagement Partner. Thomas received his CA designation in 1987 and co-founded Kriens~LaRose in 1997. Thomas began to specialize in assisting not-for-profit organizations with their financial reporting and operational needs in 1991. Thomas is very active in the not-for-profit realm with a specific focus working with our audit team to provide tailored audit services.

Renaldo Ferreira (CPA, Hons BAcc.) is our Audit Partner. Renaldo graduated from the University of South Africa in 2013 with an Honours Bachelor of Commerce degree, majoring in financial accounting. Renaldo rejoined Kriens-LaRose in 2023, with a deep understanding of its culture, values and operations and he brings not only a wealth of audit and accounting experience, but also a renewed enthusiasm for contributing to the firm's continued success.

Meghan Coyne (CPA, LPA, Hons B.Sc.) is our Assurance Manager. Meghan graduated from the University of Ottawa in 2014 with an Honours Bachelor of Science degree, majoring in Biology and minoring in Business Administration. Meghan commenced working for Kriens~LaRose in 2015 as a staff accountant. Since then, Meghan has received both her Chartered Professional Accountant and Licensed Public Accountant designations and has established herself as an integral part of the KL team. Meghan manages a diverse audit practice, with an emphasis and focus on not-for-profit organizations and charities.

Ignatius Jeffry (CPA, MBA, B.Sc.) is a Senior Assurance Associate. Ignatius graduated from Brock University in 2018 with an MBA. Ignatius commenced working for Kriens~LaRose in 2018 as a co-op student on the tax and compliance team and seamlessly transitioned to a full-time position at the firm with the assurance team thereafter. Ignatius works primarily with our not-for-profit organizations and charities.

Sultan Mohiuddin (CA) is a Senior Assurance Associate. Sultan graduated with a Bachelor of Finance in 2018. Sultan commenced working for Kriens~LaRose in 2022 on the assurance team.

Raymond Lee (CPA) is a Senior Assurance Associate. Raymond graduated with a Bachelor of Business Administration in Accounting and Finance from the University of Hong Kong. Raymond commenced working for Kriens~LaRose in 2024 on the assurance team.

Ted Li, CPA is a Senior Assurance Associate. Ted graduated with a Bachelor of Commence in accounting from the York University. Ted commenced working for Kriens~LaRose in 2023 on the assurance team.

The lead and staff to be assigned to the audits will be selected once we are informed which BIAs we have been appointed as the audit firm



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Quality Assurance Program, Resources and Support Services

Quality Assurance Program

Our firm has a formalized quality control program which includes our quality control manual, supervision, and training of staff both ongoing through practical experience, and through annual courses provided through a professional development consortium. For internal quality control, our firm uses standardized procedures with respect to our assurance files and follows the Professional Engagement Manual for checklists, system indexing, etc. The software used for our client engagements is standardized across the firm and incorporates all audit functions from planning to financial statement preparation.

We monitor quality control by having a yearly evaluation of the compliance with quality control policies and procedures at our firm's annual update course. We also have a cyclical inspection of completed files where at least once in every three-year period, we have an external monitor inspect one completed assurance engagement for each engagement partner.

Professional Development

We are a member of a professional development consortium which provides us with a wealth of knowledge. This is also supplemented with in-office courses provided to our staff. Our philosophy in training supplements this as we provide one-on-one training with all staff and on the job training. This enables us to notify our clients of any relevant changes in accounting and reporting requirements and also provides us with the appropriate resources and support services to address the scope of your audit services required. All members of the assigned team are CPAs in good standing with the Continuing Professional Development (CPD) requirements of the profession. There are mandatory requirements where at least 120 hours of CPD must be completed in every three-year period, with a minimum of 20 hours per year and a declaration is submitted on an annual basis.

As a firm, we embrace continuous professional development specifically pertaining to the not-for-profit sector. In turn, we offer our not-for-profit clients the benefit of our experience and expertise in delivering professional services tailored to their organizations, based on an in-depth understanding of our not-for-profit clients' needs and expectations.



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Audit Approach and Philosophy

We work with our not-for-profit audit clients to ensure that their annual audits are planned and completed on a timely basis. Our audits are planned in advance, and we produce draft financial statements and audit reports on a timely basis. As we work most of our time with not-for-profit organizations, we have developed our own internal quality control and professional services which are used in completing our audits. We approach the audit from a risk-based manner which allows us to focus on the pertinent areas of the audit. We review our risk approach each year to determine if any changes are required to our audit plan.

We understand that not-for-profit organizations have unique needs and priorities from traditional businesses in many aspects. They work to achieve their goals and missions through the steadfast commitment of a resolute staff and Board of Directors/Committees. The zeal and passion of the employees and volunteers comprising not-for-profit organizations are fundamental to their continued dynamic growth throughout Canada. While not-for-profit organizations are a productive and puissant force in the Canadian landscape, they nonetheless face unique challenges regarding transparency, strategic planning, adherence to their mission, financial reporting, and adaptation to the changing regulatory not-for-profit world.

Our commitment to client deadlines is a quality in which we pride ourselves. Our ability to respond quickly to our client's needs is an advantage our firm philosophy warrants. There is not a lot of "red tape" in our organization. Given that the partner works on the audit directly with our staff, we are able to respond quickly to questions, concerns, audit issues, etc.

Part of the audit process is to assess our objectivity and independence prior to commencing an audit. We complete this by following Canadian audit standards for objectivity and independence. As many of our client are long-term clients, we enhance our assessment by a detailed review, beyond the standards, of our objectivity which includes a review of any familiarity threat. In addition, we complete a "file refresh review" which entails a review of our audit approach, audit scope, and areas of significance.

Client References

Heidi Veri, Chief Operating Officer
Association of Registered Graphic Designers of Ontario
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Association of Workers' Compensation Boards of Canada
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Pricing Information

As we have not been provided with the detailed financial statements and opportunity to review the quality of the financial records for each BIA, we cannot provide a set fee for each of the 32 BIAs outlined in appendix 2 of your RFP.

Based on the information in your RFP we estimate that our general audit fee for each of the BIAs December 31, 2024 year-end will be \$8,000 plus HST. This fee is for our audit and does not include any additional services beyond the audit, in particular services required for bookkeeping or multiple adjusting entries required to be made by us to complete the audit.

If we are appointed by a BIA as their auditor, we can provide them with a more accurate audit fee once we have reviewed their financial statements, the quality of their accounting records, and have the opportunity to review the records with BIA management and bookkeeper.

To ensure that we can provide the audit services in a timely and professional manner our quote is for a maximum of 5 BIAs to be audited by our firm.

With no significant changes in the Organization's operations or revenue volume we expect our fees will increase by 4% each year for the 2026 and 2027 fiscal years.

We do not charge a flat rate or % of our billings for administrative costs, nor do we charge for staff travel time, or other expenses, unless they are greater than \$200. We do not charge for cost overruns and therefore our final billing will be no more than our fee quoted. You therefore can be assured of no "surprise billings" as you will never receive any from us.

We understand our clients need for additional assistance in the year to ensure they are up to date on accounting standards, policies, and issues that arise in the year. Our firm's policy is to not charge for advice on simple questions and occasional services. If the advice needs more than a simple answer from us, we will discuss the fee to be charged, based on our standard rates, prior to undertaking the assignment.



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Closing Comments

Thank you for the opportunity to provide our external financial audit services proposal. As a boutique firm with over 200 not-for-profit clients, we have the experience and depth to provide the audit services the BIAs require.

We hope that this proposal has provided you with an understanding of how we perceive your service requirements as well as a description of our firm and the services that we can provide. We believe that, based upon our 30+ years of experience with not-for-profit organizations, we understand the inherent nature of organizations such as yours, and can offer you a highly competent team to provide the audit services you require.

Respectfully submitted,

Thomas Kriens
Kriens~LaRose, LLP

Thomas Kriens, CPA
Kriens~LaRose, LLP
Chartered Professional Accountants
Licensed Public Accountants