

INDEPENDENT AUDITOR'S REPORT

To Ivy Lee, candidate for Regional Councillor in the City of Markham and to the City Clerk of the City of Markham in accordance with the Municipal Elections Act, 1996.

Report on the Audit of the Financial Statement

Qualified Opinion

I have audited the accompanying Financial Statement on prescribed Form 4 of the Ivy Lee Campaign (the "Campaign") for Regional Councillor in the City of Markham, which comprises a statement of campaign income and expenses and accompanying Schedules 1 and 2 and a calculation of surplus or deficit ("financial statement").

In my opinion, except for the possible effects of the matter described in the "Basis for Qualified Opinion" paragraph, the financial statement for the period from August 19, 2022 to December 31, 2022 is prepared, in all material respects, in accordance with the financial reporting provisions of section 88.25 of the Municipal Elections Act, 1996 (the "Act") and guidance issued by the Ministry of Municipal Affairs and Housing.

Basis for Qualified Opinion

Due to the inherent nature of the transactions of the Campaign, the completeness of contributions and expenses is not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the Campaign's accounting records and I was not able to determine whether any adjustments might be necessary to contributions, expenses and surplus. My audit opinion on the financial statement for the period from August 19, 2022 to December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of my report. I am independent of the Campaign in accordance with the ethical requirements that are relevant to my audit of the financial statement in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

The financial statement is prepared to assist the candidate to meet the requirements of the Act and the accounting guidance issued by the Ministry of Municipal Affairs and Housing. As a result, the financial statement may not be suitable for another purpose.

The Candidate's Responsibility for the Financial Statement

The candidate is responsible for the preparation of the financial statement, in accordance with the reporting provisions of section 88.25 of the Municipal Elections Act, 1996 and for such internal control as the candidate determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

Those charged with governance are responsible for overseeing the Campaign's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statement

My objectives are to obtain reasonable assurance about whether the financial statement is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial statement. As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Campaign's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the candidate.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

As required by section 88.25 of the Municipal Elections Act, 1996, in my opinion, the financial statement presents the information contained in the financial records on which it is based.

Winnie Yu Wong CPA Professional Corporation

Richmond Hill, Ontario
March 28, 2023

Chartered Professional Accountant
Authorized to practice public accounting
By the Chartered Professional Accountants of Ontario