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BDO Canada LLP  
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P.O. Box 1109  
Sault Ste. Marie, Ontario  
P6A 5N7

Elliot Lake Public Library  
45 Hillside Drive North  
Elliot Lake, ON P5A 1X5

Attention: Andrew Ault, Director of Finance/Treasurer

February 25, 2026

We enclose herewith for your information and retention, copies of the following:

1. Financial statements for the year ended December 31, 2024.
2. Engagement letter.
3. Representation letter.
4. Management letter.
5. Audit communication to the board of directors.

Should you have any questions concerning the foregoing, please contact the writer or Megan Sherwood of this office.

Yours sincerely

BDO Canada LLP  
Chartered Professional Accountants, Licensed Public Accountants

A handwritten signature in black ink, appearing to read 'J Archambault', written in a cursive style.

Jennifer Archambault, CPA, CA  
Partner through a ccorporation  
/sb

**Elliot Lake Public Library**  
**Financial Statements**  
For the year ended December 31, 2024

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## Independent Auditor's Report

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To the Members of the Elliot Lake Public Library Board,  
Members of Council, Inhabitants and Ratepayers of The Corporation of the City of Elliot Lake

### Qualified Opinion

We have audited the accompanying financial statements of Elliot Lake Public Library (the Library), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Library as at December 31, 2024, and its results of operations, its change in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Qualified Opinion

In common with many such organizations, the Library derives revenue from fines, user charges and sale of materials, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Library. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, annual deficit and cash flows from operations for the years ended December 31, 2024 and 2023, financial assets as at December 31, 2024 and 2023, and accumulated surplus as at January 1 and December 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Library's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Library or to cease operations, or has no realistic alternative but to do so.

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

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## Independent Auditor's Report

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### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 our 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 Library's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Library's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Library to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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 we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Sault Ste. Marie, Ontario  
February 25, 2026

**Elliot Lake Public Library  
Statement of Financial Position**

<b>December 31</b>	<b>2024</b>	<b>2023</b>
<b>Financial assets</b>		
Due from the City of Elliot Lake (Note 3)	\$ 377,681	\$ 352,212
<b>Liabilities</b>		
Accounts payable and accrued liabilities	<u>87,396</u>	<u>71,297</u>
<b>Net financial assets</b>	<b>290,285</b>	<b>280,915</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	<u>1,129,249</u>	<u>1,190,707</u>
<b>Accumulated surplus (Note 4)</b>	<b>\$ 1,419,534</b>	<b>\$ 1,471,622</b>

On behalf of the Board:

Andrew Auct  
A. Auct, FINANCE

Natalie Bray  
Natalie Bray, City Clerk

## Elliot Lake Public Library Statement of Operations

<b>For the year ended December 31</b>	Budget	2024	2023
<b>Revenue</b>			
Municipal contributions	\$ 599,647	\$ 573,730	\$ 542,260
Province of Ontario grants	37,522	37,522	37,522
User charges	5,500	7,694	7,205
Interest	-	14,110	12,737
Other	5,104	7,056	6,536
	<b>647,773</b>	<b>640,112</b>	606,260
<b>Expenses</b>			
Advertising	750	-	407
Amortization	133,134	116,423	133,719
Equipment	5,100	5,080	2,866
Insurance	13,219	13,219	8,813
Professional fees	7,850	6,367	5,850
Rent	187,903	187,903	187,903
Repairs and maintenance	720	733	720
Supplies and materials	14,824	12,529	14,039
Telephone and internet	5,332	1,629	1,691
Travel	150	-	-
Wages and benefits	355,621	348,317	324,959
	<b>724,603</b>	<b>692,200</b>	680,967
<b>Annual deficit</b>	<b>(76,830)</b>	<b>(52,088)</b>	<b>(74,707)</b>
<b>Accumulated surplus, beginning of year</b>	<b>1,471,622</b>	<b>1,471,622</b>	1,546,329
<b>Accumulated surplus, end of year</b>	<b>\$ 1,394,792</b>	<b>\$ 1,419,534</b>	\$ 1,471,622

The accompanying notes are an integral part of these financial statements.

**Elliot Lake Public Library**  
**Statement of Change in Net Financial Assets**

<b>For the year ended December 31</b>	Budget	<b>2024</b>	2023
<b>Annual deficit</b>	\$ (76,830)	<b>\$ (52,088)</b>	\$ (74,707)
Acquisition of tangible capital assets	(53,500)	<b>(54,965)</b>	(43,952)
Amortization of tangible capital assets	133,134	<b>116,423</b>	133,718
<b>Net change in net financial assets</b>	2,804	<b>9,370</b>	15,059
<b>Net financial assets, beginning of year</b>	280,915	<b>280,915</b>	265,856
<b>Net financial assets, end of year</b>	\$ 283,719	<b>\$ 290,285</b>	\$ 280,915

The accompanying notes are an integral part of these financial statements.

**Elliot Lake Public Library  
Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2024</b>	<b>2023</b>
<b>Operating transactions</b>		
Annual deficit	\$ (52,088)	\$ (74,707)
Item not involving cash		
Amortization	116,423	133,718
	<b>64,335</b>	59,011
Changes in non-cash operating balances		
Accounts payable and accrued liabilities	16,099	14,095
Due to/from the City of Elliot Lake	(25,469)	(29,154)
	<b>54,965</b>	43,952
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(54,965)	(43,952)
<b>Cash, beginning and end of year</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

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# Elliot Lake Public Library

## Notes to Financial Statements

December 31, 2024

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### 1. Summary of significant accounting policies

<b>Management Responsibility</b>	The financial statements of the Elliot Lake Public Library (the Library) are the responsibility of management. The Library Board reviews and approves the financial statements.						
<b>Basis of accounting</b>	The financial statements of the Elliot Lake Public Library are prepared in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board.						
<b>Nature of operations</b>	The Elliot Lake Public Library provides library services to residents of the City of Elliot Lake and residents of other municipalities who have contracted the Library for services.						
<b>Revenue recognition</b>	<p>Government transfers are recognized in the year in which the events giving rise to the transfer occurred, provided that the transfer is authorized and the amount can be reasonably estimated, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability.</p> <p>User fees and other revenues are recognized when the services are performed or goods are delivered and there is reasonable assurance of collection.</p>						
<b>Deferred revenue</b>	Funds received for specific purposes which contain stipulations externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.						
<b>Tangible capital assets</b>	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition, construction, development or betterment of the tangible capital asset. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Library collection</td><td>- 10 years</td></tr><tr><td>Furniture and equipment</td><td>- 5-15 years</td></tr><tr><td>Leasehold improvements</td><td>- over the lease term</td></tr></table>	Library collection	- 10 years	Furniture and equipment	- 5-15 years	Leasehold improvements	- over the lease term
Library collection	- 10 years						
Furniture and equipment	- 5-15 years						
Leasehold improvements	- over the lease term						
<b>Use of estimates</b>	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.						

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**Elliot Lake Public Library**  
**Notes to Financial Statements**

**December 31, 2024**

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**1. Summary of significant accounting policies (continued)**

**Financial  
Instruments**

Cash balances are measured at fair value. Term deposits are measured at cost or amortized cost. Accounts receivable and accounts payable are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. The investment income is recognized as revenue in the period in which the resources are earned. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost.

**Asset Retirement  
Obligations**

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related capital asset if it is still in productive use. This cost is amortized over the useful life of the capital asset. If the related capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

# Elliot Lake Public Library

## Notes to Financial Statements

**December 31, 2024**

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### 2. Pension plan and future benefits

The library makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of all permanent, full time members of its staff. The plan is a defined benefit plan that specifies the amount of the retirement benefit to be received by the employees based on length of service and rates of pay. Employees and employers contribute jointly to the plan.

Because OMERS is a multi-employer pension plan, the library does not recognize any share of the pension plan deficit, as this is a joint responsibility of all Ontario municipalities and their employees. At December 31, 2024 OMERS reported an actuarial funding deficit of \$2.9 billion (2023 - \$4.2 billion). Employer's contributions for current and past service are included as an expense on the statement of operations. The amount contributed to OMERS in 2024 was \$16,996 (2023 - \$16,025).

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### 3. Due to the City of Elliot Lake

The balance owing from the City of Elliot Lake is non-interest bearing and has no set terms of repayment.

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### 4. Accumulated surplus

The total balance of accumulated surplus is made up of the following amounts:

	2024	2023
Equity in tangible capital assets	\$ 1,129,249	\$ 1,190,707
Reserves set aside by the Board Library building reserve	290,285	280,915
	\$ 1,419,534	\$ 1,471,622
<b>Allocation of annual surplus:</b>		
Reserves	\$ 9,370	\$ 15,059
Equity in tangible capital assets	(61,458)	(89,766)
	\$ (52,088)	\$ (74,707)

Any operating surplus becomes part of The Corporation of the City of Elliot Lake's working capital reserve. As the City adjusts its contribution to the Library each year based on the annual operating surplus or deficit of the Library.

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### 5. Commitment

The Library has entered into a 25 year lease for its premises commencing November 2013. Annual lease payments are approximately \$100,590 plus a proportionate share of common area costs and realty tax which are approximately \$74,235 annually.

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# Elliot Lake Public Library

## Notes to Financial Statements

**December 31, 2024**

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### 6. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 13, 2024 was not prepared on a basis consistent with that used to report actual results. The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of reserves and/or surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets include the following adjustments:

Financial Plan (Budget) Bylaw surplus for the year	\$	-
Add:		
Capital expenditures		53,500
Net inter-fund transfers to reserves		2,804
Less:		
Amortization		<u>(133,134)</u>
Budget surplus (deficit) per statement of operations	<u>\$</u>	<u>(76,830)</u>

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### 7. Financial instruments

The Library is exposed to credit risk and liquidity risk from its financial instruments. This note describes the Library's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

#### a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Library is exposed to credit risk through its cash.

The Library's maximum exposure to credit risk at the financial statement date is the carrying value of its cash as presented on the statement of financial position. The Library holds its cash accounts with a large reputable financial institution, from which management believes the risk of loss due to credit risk to be remote.

#### b) Liquidity risk

Liquidity risk is the risk that the company cannot repay its obligations when they become due to its creditors. The Library is exposed to this risk relating to its accounts payable and accrued liabilities.

The Library reduces its exposure to liquidity risk by monitoring cash and investing activities and expected outflow through extensive budgeting and maintaining enough cash to repay trade creditors as payables become due. In the opinion of management, the liquidity risk exposure to the Library is low.

There have not been any changes from the prior year in the Library's exposure to all of the above risks or the policies, procedures and methods it uses to measure these risks.

**Elliot Lake Public Library**  
**Schedule 1 - Tangible Capital Assets**

**For the year ended December 31, 2024**

	Leasehold Improvements	Furniture and Equipment	Library Collection	Work in Progress	Total
<b>Cost, beginning of year</b>	\$ 1,088,154	\$ 330,666	\$ 814,640	\$ -	\$ 2,233,460
<b>Additions</b>	-	7,543	47,422	-	54,965
<b>Cost, end of year</b>	<b>1,088,154</b>	<b>338,209</b>	<b>862,062</b>	<b>-</b>	<b>2,288,425</b>
<b>Accumulated amortization, beginning of year</b>	282,886	165,998	593,869	-	1,042,753
<b>Amortization</b>	43,528	20,691	52,204	-	116,423
<b>Accumulated amortization, end of year</b>	<b>326,414</b>	<b>186,689</b>	<b>646,073</b>	<b>-</b>	<b>1,159,176</b>
<b>Net carrying amount, end of year</b>	<b>\$ 761,740</b>	<b>\$ 151,520</b>	<b>\$ 215,989</b>	<b>\$ -</b>	<b>\$ 1,129,249</b>

**For the year ended December 31, 2023 (comparative figures)**

	Leasehold Improvements	Furniture and Equipment	Library Collection	Work in Progress	Total
<b>Cost, beginning of year</b>	\$ 1,088,154	\$ 330,666	\$ 770,688	\$ -	\$ 2,189,508
<b>Additions</b>	-	-	43,952	-	43,952
<b>Cost, end of year</b>	<b>1,088,154</b>	<b>330,666</b>	<b>814,640</b>	<b>-</b>	<b>2,233,460</b>
<b>Accumulated amortization, beginning of year</b>	239,359	145,307	524,369	-	909,035
<b>Amortization</b>	43,527	20,691	69,500	-	133,718
<b>Accumulated amortization, end of year</b>	<b>282,886</b>	<b>165,998</b>	<b>593,869</b>	<b>-</b>	<b>1,042,753</b>
<b>Net carrying amount, end of year</b>	<b>\$ 805,268</b>	<b>\$ 164,668</b>	<b>\$ 220,771</b>	<b>\$ -</b>	<b>\$ 1,190,707</b>



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December 31, 2024

Elliot Lake Public Library  
45 Hillside Drive North  
Elliot Lake, ON  
P5A 1M7

Dear Andrew,

We understand that you wish to engage us as the auditors of Elliot Lake Public Library for its fiscal year ended December 31, 2024 and subsequent years (2 years)

We are pleased to perform the engagement subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Jennifer Archambault, CPA, CA will be the Engagement Partner for the audit work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of services.

### **Our Role as Auditors**

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements prepared in accordance with Canadian Public Sector Accounting Standards are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements 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 your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.



## **Reporting**

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

## **Role of Management and Those Charged with Governance**

You acknowledge and understand that you have responsibility for:

- (a) the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards. The audit of the financial statements does not relieve you of your responsibilities;
- (b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- (c) providing us with:
  - access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
  - additional information that we may request for the purpose of the audit;
  - unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
  - financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
  - written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

## **Financial Statement Services**

We will obtain your approval, if during the course of our engagement we:

- (a) prepare or change a journal entry; or
- (b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following be put into place:



- (a) that you create the source data for all accounting entries;
- (b) that you develop any underlying assumptions for the accounting treatment and measurement entries; and
- (c) that you review and approve the draft financial statements, including the notes to the financial statements.

## **Tax Services**

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

## **Additional Services**

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

## **Fee Estimation**

The estimated fee for this engagement is as follows:

- **Audit services:** Consistent with past billings

Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with Canadian Public Sector Accounting Standards and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place. Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. Our billing rates may be subject to change from time to time at our discretion with or without notice to you.

We will also bill you for our out-of-pocket expenses, our administrative and technology charge, and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax. Our administrative and technology charge is calculated as 7% of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure and support staff time costs.

Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will



be considered delinquent. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

### Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. **The Standard Terms and Conditions include clauses that limit our professional liability.**

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

  
Andrew Ault, Director of Finance/Treasurer

25<sup>th</sup> Aug / Aug. 2025  
Date

Please carefully review this Agreement, which includes the attached Standard Terms and Conditions, prior to signing it.

A complete copy of the signed engagement letter should be returned to us.

## **Appendix 1 - Standard Terms and Conditions**

### **1 Overview and Interpretation**

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services, including without limitation any non-disclosure agreements entered into in advance of this Agreement. This Agreement applies to Services whenever performed (including before the date of this Agreement). To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

**This Agreement** - these Standard Terms and Conditions, the letter to which they are attached, supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years

**Services** - the services provided or to be provided under this Agreement, and any other services which we agree to provide to you subsequent to the date of this Agreement that are not covered by a separate engagement letter

**We, us, our, BDO** - refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

**You, your** - the party or parties contracting with BDO under this Agreement. You and your does not include BDO, its affiliates or BDO Member Firms

**BDO Member Firm or Firms** - any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

**Confidential Information** - all non-public proprietary or confidential information and Personal Information, including Client Documents

**Personal Information** - personal information that is or could be attributed to identifiable individuals

**Client Documents** - information (including internal financial information and internal records and reports) provided to us by you or on your behalf in connection with the performance of the Services

### **2 BDO Network and Sole Recourse**

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.



- 2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above, as well as all liability protections contained herein, as if they were a party to this Agreement. For greater certainty, you agree that other BDO Member Firms that are subcontractors may enforce any limitations or exclusions of liability available to us under this Agreement.

### **3 Respective Responsibilities**

- 3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.
- 3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

### **4 Working Papers and Deliverables**

- 4.1 **Ownership** - All reports (including assurance reports where applicable), written advice, working papers, and internal materials created or developed by us pursuant to this Agreement are owned by us, and we retain all property rights therein. All Client Documents continue to be your property, provided that we retain copies of such documents as necessary for our internal record keeping (including as required to comply with our professional obligations).
- 4.2 **Oral advice and draft deliverables** - You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.
- 4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.
- 4.4 **Reliance by Third Parties** - Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you, and are intended for the benefit of only you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction. The receipt by any third parties of any advice, opinions, reports or other work product is not intended to create any duty of care, professional relationship or any present or future liability between such third parties and us. For greater certainty, we expressly disclaim any liability of any nature or kind resulting from the disclosure to or unauthorized reliance by any third party on our advice, opinions, reports or other work product.
- 4.5 **Consent to use the Report** - Nothing in this Agreement shall be construed as consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.
- 4.6 **Consent requests** - In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information

is materially inconsistent with the related financial statements. Any consent request must be made on a sufficiently timely basis to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost and will be documented in a separate engagement letter.

## **5 Confidentiality**

- 5.1 We will use Confidential Information provided by you only in relation to the Services or for internal and administrative purposes. You agree, however, that we may use such Confidential Information for predictive analytics to provide you with key performance indicators and other analysis and insights. We will not disclose any Confidential Information, except where required by law, regulation or professional obligation. You agree, however, that we may disclose Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services, provided that such parties are bound by reasonable confidentiality obligations no less stringent than in this Agreement.

## **6 Analytics**

- 6.1 You agree that we may use anonymized and aggregated usage metrics, metadata or other tag identifiers, and Confidential Information that will not include any personally identifiable information, related to your use of BDO products and/or services to develop, modify and improve tools, services and offerings and for data analytics and other insight generation. Information developed in connection with these purposes may be used or disclosed to current or prospective clients as part of service offerings, however we will not use or disclose your name or any Confidential Information in a way that would permit you to be identified.

## **7 Privacy and Consent for Use of Personal Information**

- 7.1 In order to provide our Services, we may be required to access and collect Personal Information of individuals that is in your custody. You agree that we may collect, use, store, transfer, disclose and otherwise process Personal Information as required for the purpose of providing the Services. Personal Information may be processed in various jurisdictions in which we or applicable BDO Member Firms and subcontractors providing Services operate and as such Personal Information may be subject to the laws of such jurisdictions. Personal Information will at all times be collected, used, stored, transferred, disclosed or processed in accordance with applicable laws and professional regulations and we will require any service providers and BDO Members that process Personal Information on our behalf to adhere to such requirements. Any collection, use, storage, transfer or disclosure of Personal Information is subject to BDO's Privacy Statement available at <https://www.bdo.ca/en-ca/legal-privacy/legal/privacy-policy/>.
- 7.2 You represent and warrant that:
- (a) you have the authority to provide the Personal Information to us in connection with the performance of our Services, and
  - (b) the Personal Information provided to us has been provided in accordance with applicable law, and you have obtained all required consents of the individuals to whom such Personal Information relates in order to permit BDO to collect, use and disclose the Personal Information in the course of providing the Services.

## **8 Independence**

- 8.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our Services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.

## **9 Offers of Employment**

- 9.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed Services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

## **10 Professional and Regulatory Oversight and Legal Processes**

- 10.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.
- 10.2 Certain law enforcement, regulatory and other governmental bodies may also have the right under law or regulation to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law or regulation, we will advise you of any such document request or production order we receive in connection with any such investigation prior to providing any documents in response to such request or order.
- 10.3 We are sometimes required by law, regulation, subpoena or other legal process, or upon your request, to produce documents or personnel as witnesses in connection with legal or regulatory proceedings. Where BDO is not a party to such proceedings, you shall reimburse us at our current standard billing rates for professional time and expenses, including without limitation, reasonable legal fees, expenses and taxes incurred in responding to such compelled assistance or request by you.

## **11 Electronic Communications**

- 11.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

## **12 Limitation of Liability**

- 12.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO's liability will be several, and not joint and several, and BDO shall only be liable for its proportionate share of the total liability



based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

- 12.2 In no event shall BDO be liable for indirect, consequential, special, incidental, aggravated, punitive or exemplary damages, losses or expenses, or for any loss of revenues or profits, loss of opportunity, loss of data, or other commercial or economic loss or failure to realize expected savings, including without limitation expected tax savings, whether or not the likelihood of such loss or damage was contemplated.
- 12.3 BDO shall in no event be liable under this Agreement or otherwise in connection with the Services for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Liabilities") in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:
  - (a) three times the fees paid to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and
  - (b) \$25,000.
- 12.4 The limitations of liability in this section apply whether or not the Liabilities asserted by you against BDO are incurred by you directly or as a result of a claim or demand against you by a third party.
- 12.5 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.
- 12.6 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.
- 12.7 For purposes of this Section, the term "BDO" shall include BDO Canada LLP and its subsidiaries, associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section shall apply to the fullest extent of the law, regardless of the form of the claim, whether in contract, statute, tort (including without limitation, negligence) or otherwise.
- 12.8 **Tolling** - If you issue a claim against BDO pertaining to the Services, and a third-party claim issued by BDO in that action is dismissed as a result of a contractual limitations period between you and the third-party defendant, then you agree to a reduction of that portion of your claim against BDO that can be ascribed or attributed to the third-party defendant.

### **13 Indemnity**

- 13.1 To the fullest extent permitted by applicable laws, in the event of a claim or demand by a third party against BDO that arises out of or relates to the Services, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, or expenses resulting from such third party claim or demand, except to the extent that the same is finally determined to have resulted from BDO's negligence or intentional misconduct.

#### **14 Alternative Dispute Resolution**

- 14.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement, including any question regarding its existence, interpretation, validity, breach or termination, or the Services provided hereunder, through good faith negotiations.
- 14.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation using a mediator chosen by mutual agreement of the parties.
- 14.3 All disputes remaining unsettled for more than 60 days following the parties first mediation session with a mediator, or such longer period as the parties mutually agree upon, shall be referred to and finally resolved by arbitration. The parties agree that one arbitrator shall be appointed within twenty (20) days of receipt of the request for arbitration. If the parties cannot agree on the appointment of an arbitrator in such period then either party may immediately apply for the appointment of an arbitrator to a court of competent jurisdiction in the Province of the governing law as contained herein pursuant to such Province's applicable *Arbitration Act*. The place of arbitration shall be in the capital of the Province of the governing law as contained herein. Unless the arbitrator otherwise determines, the fees of the arbitrator and the costs and expenses of the arbitration will be borne and paid equally by the parties. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision whatsoever. The parties hereby waive any such right of appeal or judicial review which may otherwise be provided for in any provincial arbitration statute. Judgement upon the award, including any interim award, rendered by the arbitrator may be entered in any court having jurisdiction. The arbitration shall be kept confidential and the existence of the arbitration proceeding and any element thereof (including but not limited to any pleadings, briefs or other documents submitted and exchanged and testimony and other oral submissions and any awards made) shall not be disclosed beyond the arbitrator(s), the parties, their counsel and any person to whom disclosure is necessary to the conduct of the proceeding except as may be lawfully required in judicial proceedings relating to the arbitration or otherwise.

#### **15 Limitation Period**

- 15.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.
- 15.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than four years after the completion of the Services under this Agreement.
- 15.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

## **16 Québec Personnel**

16.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. Any limitation of liability clauses in this Agreement shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

## **17 Termination**

17.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).

17.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

## **18 Governing Laws**

18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of Ontario in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

## **19 Survival**

19.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

## **20 Force Majeure**

20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

## **21 Assignment**

21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

## **22 Severability**

22.1 The provisions of this Agreement shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of



**this Agreement shall not be affected, impaired or invalidated, and each such remaining provision shall be valid and enforceable to the fullest extent permitted by law.**

**Letter Version: 20250207**

**T&C Version: 20250507**

Elliot Lake Public Library  
40 Hillside Drive S.  
Elliot Lake, ON  
P6A 1M7

February 23, 2026

BDO Canada LLP  
Chartered Professional Accountants  
747 Queen Street East  
P.O. Box 1109  
Sault Ste. Marie Ontario P6A 5N7

This representation letter is provided in connection with your audit of the financial statements of Elliot Lake Public Library for the year ended December 31, 2024, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **Financial Statements**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 31, 2024, for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Public Sector Accounting Standards.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
- All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- We have reviewed and approved all journal entries recommended by the practitioners during the audit. A list of the journal entries is attached to the representation letter.

### **Information Provided**

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

## **Fraud and Error**

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

## **General Representations**

- Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.
- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.
- We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the financial statements.
- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially

affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

### **Other Representations Where the Situation Exists**

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.

Yours sincerely

A handwritten signature in black ink, appearing to read "A. Ault", written over a horizontal line.

Andrew Ault, Director of Finance



**Elliot Lake Public Library**

Year End: December 31, 2024

Journal Entries

Date: 1/12/1999 To 12/31/2024

Number	Date	Name	Account No	Reference	Debit	Credit
1	12/31/2024	REGULAR SALARIES & WAGES	1-761-110-1110	CC. 03	6,216.87	
1	12/31/2024	TEMPORARY SALARIES & WAGES	1-761-110-1120	CC. 03	1,737.02	
1	12/31/2024	OVERALL BENEFITS	1-761-110-1509	CC. 03	930.51	
1	12/31/2024	GROUP BENEFITS	1-761-110-1510	CC. 03	9.88	
1	12/31/2024	OMERS PENSION	1-761-110-1511	CC. 03	444.14	
1	12/31/2024	ACCRUED CHARGES	L-960-961-9611	CC. 03		9,338.42
To record CY payroll accrual.						
2	12/31/2024	DUE TO/FROM CITY	L-000-000-0000	CC. 03	40,750.21	
2	12/31/2024	DUE TO/FROM CITY	L-000-000-0000	CC. 03	2,307.55	
2	12/31/2024	ACCRUED CHARGES	L-960-961-9611	CC. 03		40,750.21
2	12/31/2024	ACCRUED CHARGES	L-960-961-9611	CC. 03		2,307.55
To record CY vacation accrual and wages already included in City file.						
3	12/31/2024	LIBRARY BOOK COLLECTION	A-761-A35-6980	U. 02	5,841.45	
3	12/31/2024	DUE TO/FROM CITY	L-000-000-0000	U. 02		5,841.45
To adjust capital assets opening to actual.						
4	12/31/2024	LIBRARY NEW BOOKS	1-761-110-2911	U. 02		41,537.33
4	12/31/2024	AUDIO AND VIDEO CASSETTES	1-761-110-2915	U. 02		5,884.33
4	12/31/2024	ELECTRONIC EQUIPMENT	2-761-990-4210	U. 02		7,543.47
4	12/31/2024	MISC. EQUIPMENT	A-761-A30-6975	U. 02	7,543.47	
4	12/31/2024	LIBRARY BOOK COLLECTION	A-761-A35-6980	U. 02	47,421.66	
To reallocate capital asset additions.						
5	12/31/2024	AMORTIZATION EXPENSE	1-761-953-6350	U. 02	116,423.09	
5	12/31/2024	ACCUMULATED AMORTIZATION - EQUIPMEN	A-950-953-0000	U. 02		20,690.83
5	12/31/2024	ACCUMULATED AMORTIZATION - LIBRARY B	A-950-953-1000	U. 02		52,204.28
5	12/31/2024	ACCUMULATED AMORT - LEASEHOLDS	A-950-953-2000	U. 02		43,527.98
To record amortization on library assets in year.						
6	12/31/2024	BUILDING RENTAL	1-761-110-3630	CC. 03	10,000.00	
6	12/31/2024	DUE TO/FROM CITY	L-000-000-0000	CC. 03	25,000.00	
6	12/31/2024	ACCRUED CHARGES	L-960-961-9611	CC. 03		35,000.00
To accrue CAM for 2021-2024.						
7	12/31/2024	Net transfer to equity in TCA	2-761-110-641A	SS. L		61,457.96
7	12/31/2024	Equity in TCA - net current year transactions	L-980-984-000B	SS. L	61,457.96	
To adjust Equity in TCA.						
8	12/31/2024	INTEREST ON RESERVE ACCOUNTS	1-141-142-0942	SS. 02		14,110.00
8	12/31/2024	TRANSFER FROM RESERVE	1-761-110-0961	SS. 02		7,543.00

**Elliot Lake Public Library**

Year End: December 31, 2024

Journal Entries

Date: 1/12/1999 To 12/31/2024

Number	Date	Name	Account No	Reference	Debit	Credit
8	12/31/2024	TRANSFER TO RESERVE FUND	1-761-110-6410	SS. 02		708.77
8	12/31/2024	Transfer to reserve - interest	1-761-110-641B	SS. 02	14,110.00	
8	12/31/2024	DUE TO/FROM CITY	L-000-000-0000	SS. 02	14,110.00	
8	12/31/2024	LIBRARY BUILDING Reserve	L-970-973-9736	SS. 02	708.77	
8	12/31/2024	LIBRARY BUILDING Reserve	L-970-973-9736	SS. 02		14,110.00
8	12/31/2024	LIBRARY BUILDING Reserve	L-970-973-9736	SS. 02	7,543.00	
To adjust reserve entry and allocate interest and charges to/from reserve.						
9	12/31/2024	MISCELLANEOUS GRANTS	1-000-000-0000	QQ. 02	25,916.98	
9	12/31/2024	DUE TO/FROM CITY	L-000-000-0000	QQ. 02		25,916.98
To reduce budgeted Municipal Grant for 2024, to reconcile operating income.						
10	12/31/2024	MISCELLANEOUS GRANTS	1-000-000-0000	FSD. 02		599,647.22
10	12/31/2024	DUE TO/FROM CITY	L-000-000-0000	FSD. 02	599,647.22	
To record budgeted municipal grant based on approved Library budget.						
					<b>988,119.78</b>	<b>988,119.78</b>
<b>Net Income (Loss)</b>			<b>(52,087.43)</b>			



Tel: (705) 945-0990  
Fax: +(705) 942-7979

www.bdo.ca

BDO Canada LLP  
747 Queen Street East  
P.O. Box 1109  
Sault Ste. Marie, Ontario  
P6A 5N7

Attention: Andrew Ault  
Elliot Lake Public Library  
45 Hillside Dr. North  
Elliot Lake, ON P5A 1M8

February 25, 2026

During the course of our audit of the financial statements of Elliot Lake Public Library for the year ended December 31, 2024, we identified matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of any material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The responsibility for producing financial statements and ensuring adequate internal controls and sound business practices is the responsibility of the Board of Directors through management and is a part of management's overall responsibility for the ongoing activities of the municipality. Policies and procedures developed by the municipality to safeguard its assets and to provide reasonable assurance that errors and irregularities or illegal acts are promptly identified, must be properly monitored to ensure that all staff are complying with the guidelines provided. Where we determined, from our testing, that there exists a need for improvement in existing systems of internal control or if we detected that the municipality's staff are not complying with the critical accounting policies and procedures provided by management, we increased our year-end testing of account balances to ensure that audit risk was kept to an appropriately low level.

The comments and concerns expressed herein did not have a material effect on the municipality's financial statements and, as such, our opinion thereon was without reservation. However, in order for the municipality to ensure the safeguarding of its assets and the accuracy of its records, we believe our comments and concerns should be taken into consideration by management. Our comments are not intended to reflect upon the honesty or competence of the municipality's employees.

The matters we have identified are discussed in Appendix 1.

This communication is prepared solely for the information of management and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication. We would like to express our appreciation for the cooperation and assistance which we received during the course of our audit from the finance department.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Yours sincerely

BDO Canada LLP  
Chartered Professional Accountants, Licensed Public Accountants

Jennifer Archambault, CPA, CA, CPA, CA  
Partner through a corporation

## *Appendix 1*

### **CAM Accrual: Ageing Balance without Vendor Invoicing**

At year-end, the Common Area Maintenance (CAM) accrual balance is \$35,000 which represents an increase of \$30,000 from 2021. Management indicated that CAM invoices for 2021-2024 have not yet been received from McCowan & Associated Ltd., and no formal written statement or reconciliation has been obtained from the vendor to substantiate the amount accrued. As a result, the accrual has continued to grow without third-party corroboration of the underlying obligation.

### **Recommendation**

Request a written vendor statement or annual CAM reconciliation from McCowan & Associated Ltd. covering 2021-2024 period to substantiate the accrued amount. Where possible, ask the vendor to issue outstanding invoices promptly.



# Elliot Lake Public Library

Audit communication to the Board of Directors  
for the year ended December 31, 2024

START



# To the Board of Directors of Elliot Lake Public Library

We are pleased to provide you with this communication to highlight and explain key issues which we believe to be relevant to the audit of Elliot Lake Public Library (the “Organization”) financial statements for the year ended December 31, 2024.

The enclosed communication includes our approach to your audit, including: significant risks identified, the nature, extent, timing, and results of our audit work, and the terms of our engagement. We will also communicate any significant internal control deficiencies identified during our audit and confirm our independence.

During the course of our audit, management made certain representations to us—in discussions and in writing. We documented these representations in the audit working papers.

We look forward to discussing our communication with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

BDO Canada LLP



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For the year ended December 31, 2024



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# Audit at a glance

Your dedicated BDO audit team:



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# Auditor's responsibilities: financial statements

We are responsible for forming and expressing an opinion on the financial statements that have been prepared by management, with oversight by those charged with governance. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities. The scope of our work, as confirmed in our engagement letter, is set out below:

- ▶ Present significant findings to the Board of Directors including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.
- ▶ Provide timely and constructive management letters. This includes deficiencies in internal control identified during our audit.
- ▶ Consult regarding accounting, income taxes, and reporting matters as requested throughout the year.
- ▶ Work with management to issue financial statements and tax returns in a timely manner.
- ▶ Identify and assess the risks of material misstatement due to fraud.
- ▶ Obtain sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses.
- ▶ Respond appropriately to fraud or suspected fraud identified during the audit.

For the year ended December 31, 2024





# Auditor's responsibilities: fraud risks

We are responsible for planning and performing the audit to obtain reasonable assurance that the financial statements are free of material misstatements, whether caused by error or fraud, by:

- ▶ Identifying and assessing the risks of material misstatement due to fraud;
- ▶ Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- ▶ Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

## Behind the audit report



Learn how we audit your financial statements

[SEE OUR PROCESS](#)



# Auditor's responsibilities: fraud risks

During the audit, we performed risk assessment procedures and related activities to obtain an understanding of the entity and its environment, including the Organization's internal control, to obtain information for use in identifying the risks of material misstatement due to fraud and made inquiries regarding:

- ▶ Management's assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- ▶ Management's process for identifying and responding to the risks of fraud in the Organization, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- ▶ Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in Elliot Lake Public Library; and
- ▶ Management's communication, if any, to employees regarding its view on business practices and ethical behavior.

We are not aware of any fraud affecting the Organization. If you are aware of any instances of actual, suspected, or alleged fraud, please let us know.

# Audit at a glance

## Materiality

We determined materiality to be \$22,000 for the year ended December 31, 2024.

Misstatements are considered to be material if they could reasonably be expected to influence the decisions of users based on the financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

We communicated all corrected and uncorrected misstatements identified during our audit to the Board of Directors, other than those which we determined to be “clearly trivial.”

We encouraged management to correct any misstatements identified throughout the audit process.

## Our independence



We have complied with relevant ethical requirements and are not aware of any relationships between Elliot Lake Public Library and our Firm that may reasonably be thought to bear on our independence.

# Status of the audit

We have substantially completed our audit of the year ended December 31, 2024 financial statements, pending completion of the following items:

- ▶ Receipt of signed management representation letter
- ▶ Subsequent events review through to the financial statements approval date
- ▶ Approval of financial statements by the Board of Directors

We conducted our audit in accordance with Canadian generally accepted auditing standards. The objective of our audit was to obtain reasonable, not absolute, assurance about whether the financial statements are free from material misstatement.

# Audit findings

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Organization's accounting practices, including accounting policies, accounting estimates and financial statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

Financial statement areas	Risks noted	Audit findings
Management payroll – department heads approve their own timesheets.	Audit test to agree department head payroll to approved salary grids.	No issues noted.



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## Internal control matters

During the audit, we performed the following procedures regarding the Organization's internal control environment:

- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.

We considered the results of these procedures in determining the extent and nature of audit testing required.



We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.

A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that merits the attention of those charged with governance.

The audit expresses an opinion on the Organization's financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, are of significant importance to discuss.





# Other required communications

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

Issue	BDO response
	None to disclose



# How we audit financial statements: Our audit process

## IDENTIFY AND ASSESS RISK

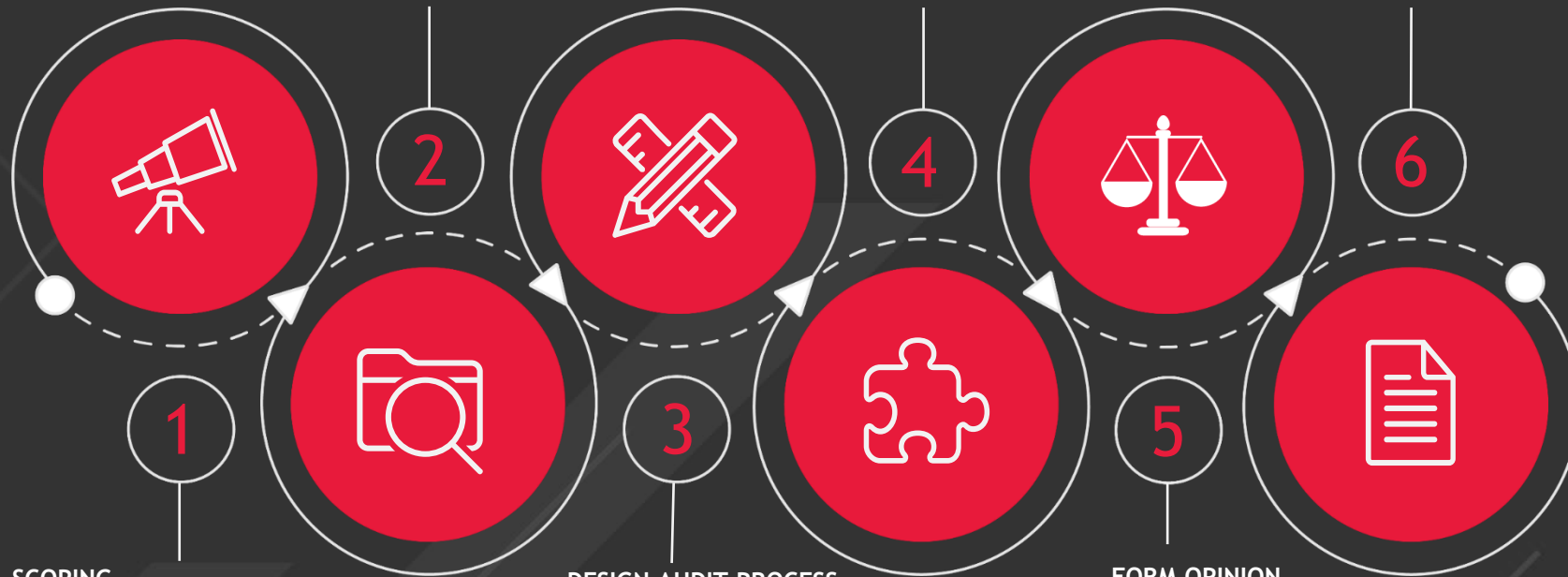
Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

## OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

## COMMUNICATION

Communicate our opinion and details of matters on which we are required to communicate



## SCOPING

Complete a preliminary review to plan the audit, determine the materiality level, and define the audit scope

## DESIGN AUDIT PROCESS

Design an appropriate audit strategy to obtain sufficient assurance and enable us to report on the financial statements

## FORM OPINION

Evaluate whether we have enough evidence to conclude that the financial statements are free from material misstatement, and consider the effect of any potential misstatements found



# How the firm's system of quality management (SoQM) supports the consistent performance of quality audit engagements

The firm is committed to maintaining high standards of audit quality that meet stakeholders' expectations and serve the public interest. We foster a culture where audit quality is at the center of our strategy and priorities. All partners and staff are accountable for performing quality engagements and upholding professional ethics, values, and attitudes.

The firm invested significant time and resources to establish and operate a SoQM that complies with the requirements set out in Canadian Standard on Quality Management 1 - Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (CSQM 1) as issued by the Auditing and Assurance Standards Board (AASB). The SoQM ensures the firm and its personnel meet professional standards, legal and regulatory requirements, and conduct engagements accordingly, with reports issued appropriately for the circumstances.

Taken together our system of quality management supports consistent performance of audit engagements by focusing on eight components that operate in an iterative and integrated manner. These include:



## Standard for Audit Quality



### CSQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.



# Establishing and improving the firm's SoQM

In establishing and continuously improving our firm's SoQM, we carried out the following for each of the SoQM components:

## OBJECTIVES

We established the quality objectives required by CSQM1 in the core components of our SoQM and any additional quality objectives as appropriate.

## QUALITY RISKS

We identified the quality risks that may adversely affect achieving these objectives. These consider the nature and circumstances of the firm and the engagements it performs and the conditions, events or circumstances that may impact its SoQM.

## RESPONSES

We designed and implemented appropriate responses (policies, procedures and controls) to mitigate the assessed quality risks to an acceptable level.

## MONITORING

We monitor the design, implementation and operating effectiveness of the firm's SoQM to identify areas for improvement. Root cause analysis is performed on deficiencies identified and remedial actions are implemented on a timely basis. This robust monitoring and remediation process is important for continuous improvement in quality processes.

On at least an annual basis the firm evaluates whether these deficiencies have a severe and/or pervasive impact on the achievement of the quality objectives in the SoQM.

We identify emerging developments and changes in the circumstances of the firm or its engagements and adapt the SoQM to respond to such changes.

## Evaluating SoQM:

Our annual SoQM evaluation involves reviewing information about the system's design, implementation, and operation through monitoring activities. It includes testing response effectiveness, reviewing findings from inspections, and other relevant SoQM information. Using professional judgment, we assess whether identified findings represent deficiencies in the SoQM, investigating their root causes and evaluating their severity and pervasiveness.



# Our audit approach: Responsiveness in action

Our firm is deliberately structured to allow one partner to every six staff members. This means easy access to senior staff and the lead partner throughout your audit. It also helps our team gain a better understanding of your organization.

Our audit process differs from the typical audit in our use of in-field reviews. The benefit of these in-field reviews is that final decision-makers are on site ensuring issues are resolved and files closed quickly.

We offer clients the full-service expertise of a national firm. Yet we maintain a local community focus. The comprehensive range of services we deliver is complemented by a deep industry knowledge gained from over 100 years of working within local communities.



Discover how we're accelerating audit quality



## Audit Quality Report

We collected our core beliefs around audit quality, the very practical steps we take to sustain it, and the progress we have made to accelerate its quest.

[Follow our progress](#)



# BDO's digital audit suite

Our digital audit suite of technologies enables our engagement teams to conduct consistent risk-based audits, both domestically and internationally, with maximum efficiency and minimal disruption to our clients' operations and people.

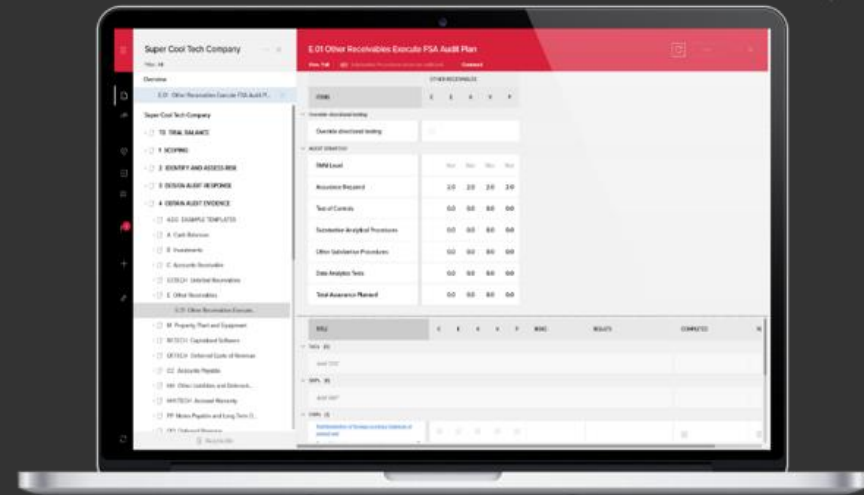
## APT Next Gen

Our audit software and documentation tool, APT, is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs), as well as to factor in engagement and industry-specific objectives and circumstances.

APT enables us to deliver an audit that fits your organization—whether large or small; complex or basic.

This sophisticated tool also amplifies two key attributes of our audits: consistency and quality. The quality framework that we developed measures our audit performance with hard quality indicators and reflects our indispensable culture for quality. To see our audit quality and consistency in action, look no further than how our teams share best audit practices for continuous improvement.

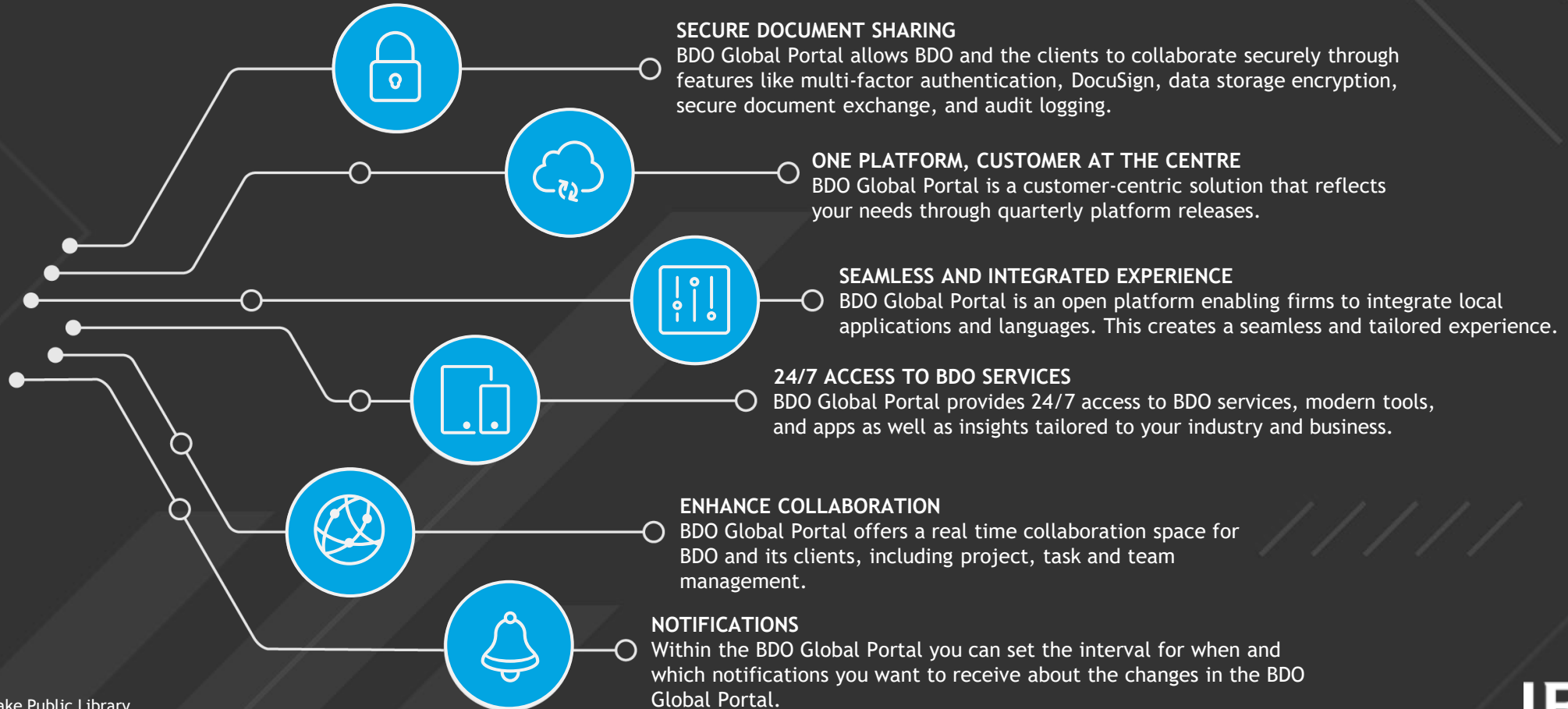
Through a strategic alliance with Microsoft and the introduction of new technology, this global, cloud-based application can now streamline and focus the audit process in even more ways for BDO professionals and their clients.





# BDO Global Portal

BDO Global Portal transforms and enhances your digital experience with your BDO advisors. Available at any time, Portal enables you to access all services, tools, apps, and information and to collaborate with your advisors in a seamless way through a flexible, appealing, and secure environment.





# Recommended Resource

Staying in the know with knowledge and perspective

## Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

[ACCESS OUR KNOWLEDGE CENTRE](#)

## The latest tax pointers



Corporate. Commodity. Transfer pricing. International tax. Government programs. Together they add up to immense differences on the organization's bottom line. Our tax collection keeps you current.

[STAY ON TOP OF TAXES](#)

## Trending topics



As a community of advisors with the best interests of our clients in mind, we keep our ear to the ground to bring insights and perspectives related to key business trends to you.

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# Recommended Resource

Staying in the know with knowledge and perspective

## Key changes to financial reporting



When the rules of reporting change, you may need to fine-tune how to present financial statements and govern the organization.

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# Spotlight on ESG



Transformative world events—an international health crisis, social movements, shareholder and investor values, global supply chains, energy transition, smart cities, and sustainable finance—are transforming Canadian business.

Standards and regulations are rapidly changing to reflect the goals of all of your stakeholders. Organizations, investors, and customers are embracing environmental, social, and governance (ESG) considerations as important measures of success. Non-financial and financial information is becoming more interconnected.

## ESG Insights



Sector insights at your convenience

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# Spotlight on public sector



## Industry insights to shape your business

At BDO, we help governments create efficient ways of working to achieve better outcomes for their citizens and public servants. From technology-based solutions to program development, advisory and audit, our team can guide you through critical strategic decisions to ensure you deliver on your vision, goals, and accountability expectations.

### Public sector Insights



Resources to support your business

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# Appendices

- ▶ Appendix A: Independence Letter



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BDO Canada LLP  
747 Queen Street East  
P.O. Box 1109  
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February 25, 2026

Members of the Board of Directors  
Elliot Lake Public Library

Dear Members of the Board of Directors:

We have been engaged to audit the financial statements of Elliot Lake Public Library (the "Organization") for the year ended December 31, 2024.

Canadian generally accepted auditing standards require that we communicate at least annually with you regarding all relationships between the Organization and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, the standards require us to consider independence rules and interpretations of the CPA profession and relevant legislation.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since July 12, 2024, the date of our last letter.

We are aware of the following relationships between the Organization and us that, in our professional judgment, may reasonably be thought to have influenced our independence. The following relationships represent matters that have occurred from July 12, 2024 to February 25, 2026.

- We have provided assistance in the preparation of the financial statements, including adjusting journal entries. These services created a self-review threat to our independence since we subsequently expressed an opinion on whether the financial statements presented fairly, in all material respects, the financial position, results of operations and cash flows in accordance with Canadian Public Sector Accounting Standards.
- We, therefore, required that the following safeguards be put in place related to the above:
  - Management created the source data for all the accounting entries.
  - Management developed any underlying assumptions required with respect to the accounting treatment and measurement of the entries.
  - Management reviewed and approved all journal entries prepared by us, as well as changes to financial statement presentation and disclosure.
  - Someone other than the preparer reviewed the proposed journal entries and financial statements.

This letter is intended solely for the use of the Board of Directors, management and those charged with governance of the Organization and should not be used for any other purpose.

Yours truly,

**BDO Canada LLP**

Chartered Professional Accountants, Licensed Public Accountants