

FEDERATION OF ONTARIO PUBLIC LIBRARIES

[Insert date when Board approved and asserted that they have taken responsibility for the financial statements]

Audit Representation Letter

Ouseley Hanvey Clipsham Deep LLP
Chartered Professional Accountants
200 - 205 Catherine Street
Ottawa, Ontario
K2P 1C3

Dear OHCD:

This representation letter is provided in connection with your audit of the financial statements of FEDERATION OF ONTARIO PUBLIC LIBRARIES for the year ended December 31, 2025 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

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

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the most recent audit engagement letter for the preparation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations; in particular, the financial statements are fairly presented in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian accounting standards for not-for-profit organizations.
- All events subsequent to the date of the financial statements and for which Canadian accounting standards for not-for-profit organizations require adjustment or disclosure have been adjusted or disclosed.

- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. If applicable, a list of the uncorrected misstatements is attached to this 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.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

- 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 organization 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.
- 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 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.
- We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the financial statements.
- The nature of all material measurement uncertainties has been appropriately 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.
- We have informed you of all outstanding and possible claims, whether or not they have been discussed with legal counsel.
- All liabilities and contingencies, including those associated with guarantees, whether written or oral, have been disclosed to you and are appropriately reflected in the financial statements.

- The organization has satisfactory title to all assets, and there are no liens or encumbrances on the organization's assets that have not been disclosed in the financial statements.
- We have disclosed to you, and the organization has complied with, all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- We acknowledge that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

CONFIRMATION OF APPROVAL AND RESPONSIBILITY

This is to confirm that the Board of Directors has reviewed, approved, and taken responsibility for the financial statements of the FEDERATION OF ONTARIO PUBLIC LIBRARIES as of December 31, 2025 and for the period then ended, as of the date that has been inserted at the beginning of this letter.

This further confirms that the Board, or designated Committee, has received and reviewed all communications from you including the audit engagement letter, the audit independence letter, the audit planning letter and the audit findings letter.

Yours truly,

FEDERATION OF ONTARIO PUBLIC LIBRARIES

Per: _____
Executive Director

Per: _____
Member of the Board



February 18, 2026

Audit Findings Letter

The Board of Directors
FEDERATION OF ONTARIO PUBLIC LIBRARIES

Dear Board Members:

We have been engaged to audit the financial statements of your organization as of December 31, 2025 and for the period then ended. Canadian generally accepted standards for audit engagements require that we communicate any significant findings to you in relation to our audit.

Evaluation of Internal Controls

Audits include a review of internal control relevant to the entity's preparation 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 the entity's internal control.

During the course of our audit, we encountered the following internal control matter that we wish to bring to your attention.

Year-end close

While the general bookkeeping for the year was well done, we identified some issues with the year-end, close as some liabilities and prepaid expenses had to be adjusted during the audit. In addition, the prior year adjusting entries were not entered in the correct period, meaning the trial balance in Quickbooks Online for 2023 didn't agree to the audited trial balance. FOPL should consider engaging an outside accountant familiar with audit requirements to help with the year-end close prior to the audit commencing.

Significant Accounting Policies

Management is responsible for the appropriate selection and application of accounting policies. Our role is to review their appropriateness and application as part of our audit. The accounting policies used by your organization are described in the notes to the financial statements.

There were no new accounting policies adopted or changes to the application of accounting policies of the organization during the year.

Significant Unusual Transactions

There were no unusual transactions identified during the audit.

Accounting Estimates

Management is responsible for the accounting estimates included in financial statements. Estimates and the related judgments and assumptions are based on management's knowledge of the business and past experience about current and future events.

Our responsibility as auditors is to obtain sufficient appropriate evidence to provide reasonable assurance that management's accounting estimates are reasonable within the context of the financial statements as a whole. An audit includes performing appropriate procedures to verify the:

- Calculation of accounting estimates;
- Analyzing of key factors such as underlying management assumptions; and
- Materiality of estimates individually and in the aggregate in relation to the financial statements as a whole.

During the audit we did not identify any significant accounting estimates that we considered to be unreasonable.

Disagreements with Management

We are required to communicate any disagreements with management, whether or not resolved, about matters that are individually or in aggregate significant to your organization's financial statements or auditor's report. Disagreements may arise over:

- Selection or application of accounting principles;
- Assumptions and related judgments for accounting estimates;
- Financial statement disclosures;
- Scope of the audit; or
- Wording of the auditor's report.

We are pleased to inform you that we had no disagreements with management during the course of our audit.

Issues Discussed

The auditor generally discusses, among other matters, the application of accounting principles and auditing standards, and fees, etc. with management during the initial or recurring appointment of the auditor during the normal course of business. There were no major issues

discussed during our audit with regards to our retention that were not in the normal course of business.

Difficulties Encountered During the Audit

We encountered no significant difficulties during our audit that should be brought to the attention of the Board.

We shall be pleased to discuss further with you and at your convenience any matters mentioned above.

This communication is prepared solely for the information of the Board and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours truly,

Handwritten signature in black ink that reads "OHCD LLP".

OUSELEY HANVEY CLIPSHAM DEEP LLP

Per: Eric Wilson

**FEDERATION OF ONTARIO PUBLIC LIBRARIES/
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO**

FINANCIAL STATEMENTS
DECEMBER 31, 2025

DRAFT



INDEPENDENT AUDITOR'S REPORT

To the Members,
FEDERATION OF ONTARIO PUBLIC LIBRARIES:

Opinion

We have audited the financial statements of FEDERATION OF ONTARIO PUBLIC LIBRARIES ("the Entity"), which comprise the statement of financial position as at December 31, 2025, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

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 Entity 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 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 accounting standards for not-for-profit organizations, 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 Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

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

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 Entity'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 Entity'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 Entity 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.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants
Ottawa, Ontario
Date TBD

**FEDERATION OF ONTARIO PUBLIC LIBRARIES /
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE
L'ONTARIO**

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	2025	2024
CURRENT ASSETS		
Cash (note 2)	\$ 66,724	\$ 71,629
Cash - internally restricted - internal (note 1)	147,563	127,176
Accounts receivable	-	552
Prepaid expenses	4,500	2,158
	\$ 218,787	201,515
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 30,854	\$ 24,906
Deferred revenue	450	-
	31,304	24,906
Net assets		
Internally restricted reserve (note 1)	147,563	104,716
Unrestricted	39,920	71,893
	187,483	176,609
	\$ 218,787	\$ 201,515

Approved on behalf of the Board _____

Approved on behalf of the Board _____

**FEDERATION OF ONTARIO PUBLIC LIBRARIES/
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE
L'ONTARIO**

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
INTERNALLY RESTRICTED RESERVE		
Balance - beginning of year	\$ 104,716	\$ 104,716
Transfer from unrestricted assets	42,847	-
Balance - end of year	\$ 147,563	\$ 104,716
UNRESTRICTED NET ASSETS		
Balance - beginning of year	\$ 71,893	\$ 35,514
Net revenue for the year	10,874	36,379
Transfer to internally restricted	(42,847)	-
Balance - end of year	\$ 39,920	\$ 71,893

DRAFT

**FEDERATION OF ONTARIO PUBLIC LIBRARIES /
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO**

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2025

	Budget 2025 (unaudited)	2025	2024
REVENUE			
Membership fees	\$ 280,000	277,138	\$ 278,653
Gifts and donations	-	1,500	450
Interest	3,200	2,199	4,175
Other income	-	4,698	4,094
	283,200	285,535	287,372
EXPENDITURE			
Office consultants and staff	153,866	152,107	141,877
Public relations and contract services	50,600	40,695	38,113
Marketing and promotion	22,250	27,831	21,068
Audit and accounting	26,700	28,034	9,473
Board expenses	9,000	7,549	10,410
Administration	14,200	10,544	16,224
Membership	3,700	375	3,725
Telecommunications	5,200	2,915	3,705
Office equipment and supplies	4,450	1,881	3,610
Working groups	5,000	-	-
Insurance	2,000	1,933	1,928
Bank charges and interest	700	382	810
Other expenses	-	415	50
	297,666	274,661	250,993
NET REVENUE (EXPENSE) FOR THE YEAR	\$ (14,466)	10,874	\$ 36,379

**FEDERATION OF ONTARIO PUBLIC LIBRARIES /
FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 10,874	\$ 36,379
Changes in non-cash working capital items:		
Accounts receivable	552	1,534
Prepaid expenses	(2,342)	7,088
Accounts payable and accrued liabilities	5,948	(14,139)
Deferred revenue	450	-
	<u>15,482</u>	<u>30,862</u>
CHANGE IN CASH FOR THE YEAR	15,482	30,862
Cash beginning of the year	198,805	167,943
CASH END OF YEAR	\$ 214,287	\$ 198,805

FEDERATION OF ONTARIO PUBLIC LIBRARIES / FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

The Federation of Ontario Public Libraries / Fédération des Bibliothèques Publiques de l'Ontario is incorporated without share capital under the laws of the Province of Ontario and qualifies as a nonprofit organization. The Federation supports public libraries and the communities they serve by educating the public on the role of public libraries to governments and other public and private sector bodies. As a registered not for profit, the Federation is not subject to income tax.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

a) Revenue recognition

The Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received and/or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership fees are recognized as earned over the term of the membership. Membership terms are on a calendar year-basis. Memberships paid in advance of the next fiscal year are recorded as deferred revenue.

b) Internally restricted net assets

As reflected in the statement of changes in net assets, the Federation has internally restricted the use of net assets. This fund is invested in a high interest savings account for use at the Board discretion.

c) Financial instruments

Financial instruments, including cash, investments, accounts receivable, accounts payable and accrued liabilities are recorded at fair value on initial recognition and then subsequently at cost or amortized cost, unless management has elected to carry them at fair value. The Federation has not elected to carry any of its financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred or acquisition and financing costs.

Financial assets are assessed for indicators of impairment annually at the year/period end date. If there is an indicator of impairment, the Federation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized by selling the financial asset or the amount the Federation expects to realize by exercising its right to any collateral held to secure repayment of the asset. If events or circumstances change in a future period, an impairment loss can be reversed to the extent of the improvement, but not exceeding the initial carrying value.

FEDERATION OF ONTARIO PUBLIC LIBRARIES / FÉDÉRATION DES BIBLIOTHÈQUES PUBLIQUES DE L'ONTARIO

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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 those estimates.

e) Tangible capital assets

The Federation's policy is to expense tangible capital assets in the year acquired.

2. BANK CREDIT FACILITY

The Federation has \$10,000 deposited as security against the Federation credit card facility. The security is being held in a Long Term Non- Redeemable GIC with ScotiaBank with a maturity date of March 29, 2026 and an interest rate of 2.89%.

3. TANGIBLE CAPITAL ASSETS

During the year, the organization purchased no capital assets.

4. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

Interest rate risk

Cash represents amounts on deposit with financial institutions, earning interest at market rates. The Federation manages its exposure to its interest rate risk by maximizing the interest income earned on temporary excess funds while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest do not have a significant impact on the Federation's results of operations.

Credit risk

Credit risk arises from the possibility that a member will default on its financial obligations. The Federation minimizes this risk via regular review of unpaid accounts. The Federation does not have a significant concentration of credit risk with any one member.

Credit risk associated with cash is minimized substantially by ensuring that it is held in a major financial institution, while excess funds are invested in secure instruments such as guaranteed investment certificates.

Liquidity risk

Liquidity risk is the risk that the Federation will not be able to meet a demand for cash or fund its obligations as they come due. It also includes the risk of the Federation not being able to liquidate assets in a timely manner at a reasonable price. The Federation meets its liquidity requirements by preparing and monitoring an annual financial budget and maintaining its excess cash in investments that are highly liquid instruments.

Client: **FOPL - FEDERATION OF ONTARIO PUBLIC LIBRARIES**
 Engagement: **FOPL 2025**
 Period Ending: **2025-12-31**
 Trial Balance: **3110 - Trial Balance**
 Workpaper: **Combined Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To adjust Visa 9458 Balance and record ROMA Conference Expense for 2025				
5610	Marketing and Promotions:Conferences & Exhibitions		3,616.00	
2021	Visa 9458			3,616.00
Total			3,616.00	3,616.00
Adjusting Journal Entries JE # 2				
To record prepaid expenses from 2024				
5645	Marketing and Promotions:Website		1,274.25	
1320	Prepaid Expenses - 1			1,274.25
Total			1,274.25	1,274.25
Adjusting Journal Entries JE # 3				
To record prepaid expenses in 2025 - Roma Conference Fees 2026				
1320	Prepaid Expenses - 1		3,616.00	
5610	Marketing and Promotions:Conferences & Exhibitions			3,616.00
Total			3,616.00	3,616.00
Adjusting Journal Entries JE # 5				
To clear AR Balance to 0 as per client				
5990	Write-off		37.50	
1202	Accounts Receivable - History			37.50
Total			37.50	37.50
Adjusting Journal Entries JE # 6				
To agree Opening Balance to PY audit				
5950	UNKOWN EXPENSE		377.00	
3500	Opening Balance			377.00
Total			377.00	377.00
Total Adjusting Journal Entries			8,920.75	8,920.75
Reclassifying Journal Entries				
Reclassifying Journal Entries JE # 4				
To record AR Credit Balances (Gananoque, Mississippi and Penetanguishene) to Deferred Revenue				
1200	Accounts Receivable		450.00	
2610	Deferred Revenue			450.00
Total			450.00	450.00
Total Reclassifying Journal Entries			450.00	450.00
Total All Journal Entries			9,370.75	9,370.75

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