



AUDIT COMMITTEE MEETING
Town Hall – Council Chambers
Thursday, October 9, 2025
9:00am

AGENDA

1. Approval of the Agenda
2. Approval of the Draft Minutes from August 25, 2025
3. Final Update on 2024-25 Audit Costs – Ashley Crocker, CAO
4. Management Update on Internal Control Letter
 - 4.1 User Access Rights Policy – Kevin Matheson
5. New Business
 - 5.1 RFD 058-2025 Award of RFQ for Audit Services & Appointment of Auditor – Kevin Matheson
6. Date for Next Meeting
7. Adjournment

A regular meeting of the Middleton Audit Committee was held at the Town Hall on Monday, August 18, 2025, at 2:00pm.

PRESENT

Chairing the meeting, Vice Chair Patricia Leslie, Councillor Bernadette Knapp, Resident, Dao Bui (via Zoom), Resident, Sylvester Atkinson, CAO Ashley Crocker, and Recording Secretary, Dayle Crook, Contract Accountant, Karen Kluska (via Zoom), Edele Oakey and Lauren Vail, BDO Canada (via Zoom).

Regrets, Councillor Sandra Fournier

CALL TO ORDER

Vice Chair Patricia Leslie called the meeting to order at 2:03pm.

1. APPROVAL OF AGENDA

250818.01 It was moved and seconded to approve the agenda as circulated. **Motion carried.**

2. APPROVAL OF THE MINUTES

250818.02 It was moved and seconded to approve the minutes of April 28, 2024, as presented. **Motion carried.**

3. RFD 043-2025: Draft 2024-25 Financial Statements – Lauren Vail BDO Canada

Lauren Vail, BDO Canada presented an overview of the 2024-25 Audited Financial Statement for the Town of Middleton.

Of noted included:

- Accumulated surplus of \$1.5M for fiscal year
- Water Utility revenue was higher than budget due to capitalization of invoices for reservoir and additional water utility capital work
- Increase in holdbacks and Accounts Payable due to capital work completed on the Reservoir project
- Canadian tariffs would be applicable to the Reservoir in the amount of \$150K
- Partnership agreement formed between the Town of Middleton and Kings Transit Authority to impact financial statements in coming fiscal years
- Debenture purchases of Backhoe and Public Works truck

Contract Accountant, Karen Kluska spoke to the grant revenue being received, specifying that the SSGF and a portion of the municipal capital grant were recognized through the year – identifying the increase in water utility revenue.

CAO Crocker reminded the Audit Committee members that the statements that were being reviewed were consolidated and not used to determine taxation and related adjustments.

Vice Chair Patricia Leslie inquired whether there was an update on the relief application CAO Crocker had filled out regarding the tariffs on reservoir and related purchases. CAO Crocker stated there has been no update at this time.

250818.03 It was moved and seconded that Council approve the 2024-25 Audited Financial Statements for the Town of Middleton, for the fiscal year ending March 31, 2025. **Motion carried.**

4. Draft 2024-25 Audit Reports

4.1 Audit Planning Report – BDO Canada

Lauren Vail from BDO Canada gave an overview of Audit Planning Report.

A few key takeaways were:

- Materiality was determined based on a percentage of sales (\$175K)
- No unadjusted differences noted during the year
- No audit risk or findings noted during the year (including management override of controls, improper recognition of expenses, and recognition of government transfers)
- No internal control matters or significant deficiencies noted during the year
- Independent Auditors Report concluded unmodified opinion

Lauren Vail asked the audit committee members if they were aware of any non-compliance, fraud or subsequent events affecting the fiscal year; Councillor Knapp and Vice Chair Patricia Leslie responded they were not aware of any non-compliance, fraud or subsequent events (excluding the tariffs on reservoir and new partnership with Kings Transit Authority).

4.2 Management Letter – BDO Canada

Lauren Vail reviewed the Management Letter, noting the following items which have since been addressed by management:

- Login for Front Desk users (restricted access)
- Admin Access to Diamond (Ashley Crocker, CAO)

4.3 Draft Independence Letter – BDO Canada

Lauren Vail reviewed the Draft Independence letter.

4.4 RFD 044-2025: Audit Report and Management Letter – Ashley Crocker, CAO

250818.04 It was moved and seconded that the Audit Committee accept the 2024-25 Audit Report, as presented. **Motion carried.**

250818.05 It was moved and seconded that the Audit Committee accept the 2024-25 Management Letter, as presented. **Motion carried.**

5. NEW BUSINESS

5.1 Memo: Appointment of Auditor for 2025-26 – Ashley Crocker, CAO

CAO Crocker explained to the Audit Committee that an RFD would be required to reappoint BDO Canada as this was the final of 3 years in the Town's current agreement. CAO Crocker stated that she is looking to extend the term in which the RFQ is valid – with the option for extension if required.

5.2 Update on Audit Costs to Date – Ashley Crocker, CAO

CAO Crocker reviewed the audit costs to date, explaining we should be expecting a final bill from auditors, keeping us in-line with initial proposed cost – minor increase due to confirmation requirements during audit process.

6. DATE FOR NEXT MEETING

Next meeting is to be determined.

7. ADJOURNMENT

It was moved to adjourn at 3:11pm.

Patricia Leslie, Vice Chair

Dayle Crook, Recording Secretary

DRAFT

BDO Canada LLP

Invoicing Re: Audit 2024-2025

Date	Invoice No.	Description	Subtotal	Disbursements	Admin/Tech Fee	HST	Total
March 31, 2025	CINV3341391	Interim Billing for the audit of the March 31, 2025 financial statements.	\$ 5,000.00	\$ -	\$ 350.00	\$ 802.50	\$ 6,152.50
July 31, 2025	CINV3552489	Second interim billing for the audit of the March 31, 2025 financial statements.	\$ 15,000.00	\$ 171.00	\$ 1,050.00	\$ 2,270.94	\$ 18,491.94
25-Sep-25	CINV3606073	Final Billing for March 31, 2025	\$ 8,000.00	\$ -	\$ 560.00	\$ 1,198.40	\$ 9,758.40
Total							\$ 34,402.84
<i>FEE ESTIMATION per engagement letter dated January 31, 2024 and AUDIT COST Proposed Fees</i>			\$ 28,000.00	\$ -	\$ 1,960.00	\$ 4,194.40	\$ 34,154.40
Over (under) budget							\$ 248.44

FEE ESTIMATION per engagement letter dated January 31, 2024 and AUDIT COST Proposed Fees \$ 28,000.00
Administration Fee \$ 1,960.00

Note: Delays in providing the complete list of agreed upon working papers/schedules to BDO will result in additional fees as follows:

- (a) 1 week delay - additional 10% of estimated fees*
- (b) 1 month delay- additional 20% of estimated fees*

**REQUEST FOR DECISION
Award of RFQ for Audit Services &
Appointment of Auditor
#058-2025**



To: Audit Committee and Town Council
From: Kevin Matheson, Contract Accountant
Date: October 9, 2025 and October 20, 2025
Subject: Award of RFQ for Audit Services & Appointment of Auditor

Guiding Principles for Decision-Making

Accountability Transparency Diversity Sustainability Engaged Informed

References/Attachments

- Evaluation of responses to RFQ for Audit Services

Legislation

- Nova Scotia *Municipal Government Act*
- Town Policy Code A – General Administration Procurement and Purchasing Policy
- *Public Procurement Policy*

Recommendation

That the Audit Committee recommend that Council award the RFQ for Audit Services covering a five-year period for fiscal years ending March 31, 2026 through March 31, 2030, to BDO Canada LLP for an estimated amount of \$200,786 plus non-recoverable HST and further appoint BDO Canada LLP as the municipal auditor for the same fiscal periods.

Background

The fiscal year ended March 31, 2025, was the third and final year of audits awarded to BDO Canada LLP under a previous procurement exercise.

A Request for Quotation was issued through the Nova Scotia Procurement website in accordance with our Procurement Policy.

The Town of Middleton received two responses from BDO Canada LLP and Doane Grant Thornton LLP, which were then evaluated and scored based on related experience, cost, value added services and RFQ content.

Both respondents are national accounting and audit firms with extensive municipal audit experience.

**REQUEST FOR DECISION
Award of RFQ for Audit Services &
Appointment of Auditor
#058-2025**



Both firms provided all the requested information in accordance with the RFQ requirements and staff are confident that either firm can deliver the required services.

The final scoring decisions required a deeper understanding of the fees quoted to verify that we can objectively compare them. While Doane Grant Thornton have substantially higher hourly rates, they have a much lower estimate of time needed to complete the audit. Staff reached out to both firms to see if there was a particular reason to explain the time difference.

BDO's time budget was based on the past three years of doing our audit. The Engagement Partner indicated that there were no issues on the part of the Town that caused them to spend any extra hours than would be expected. Our staff provided all required information within the required timeframes. The only factor increasing the time budget is that the small number of staff in Finance means that they can't rely heavily on internal controls and must do more substantive testing of transactions.

The Engagement Partner for Doane Grant Thornton indicated that their time budget was based on that of similar sized municipal audits. It was indicated in the proposal that they would welcome further discussion of fees if we feel they inappropriately estimated the amount of work involved. In my experience, there should not be such a wide range in the required work. One would expect the amount of audit work to be within 10% of that currently taking place.

Based on those conversations, staff felt it was necessary to adjust Doane Grant Thornton costing. To give them the benefit of the doubt, their fieldwork hours were adjusted upwards to split the difference between the hours proposed. Those calculations are summarized on the attached scoring sheet. These adjustments would make the Doane Grant Thornton fees proposal higher than BDO Canada by approximately 5%.

The final scoring now reflects a 5 point differential in favour of BDO Canada LLP.

Financial Implications

Inflationary pressures felt elsewhere in the economy are reflected in the BDO Canada Proposal. The pre-tax audit fee for 2024-25 was \$29,960. For 2025-26, this jumps to \$35,310 for a 17.8% increase followed by annual increase of about 5% per year. The extra increase in year 1 appears to be a reflection of the actual hours needed to complete the audit which may have been underestimated in their quoted fee for 2024-25. The Doane Grant Thornton proposal had approximately 6% fee increases in each year.

In the past, there were a number of smaller firms that would quote on municipal audits which helped keep audit fees down across the Province. Recently, these firms are more focused on more non-audit

REQUEST FOR DECISION
Award of RFQ for Audit Services &
Appointment of Auditor
#058-2025



work for small business, leaving less time to do audit work in their busiest season to the point they can't take on new municipal audits.

Strategic Plan/Operating Plan Alignment

Check Applicable	Strategic Priority Area	Comments
	Environment	
	Infrastructure	
	Economy	
	Community	
X	Governance	
	Council Strategic Initiative	

Alternatives

N/A

Community Engagement/Communication

N/A

CAO Comments

CAO supports the recommendation of staff.

CAO Initials: _____

Target Decision Date: October 20, 2025

**Town of Middleton
25-001-RFQ
Financial Audit Services**

**Evaluation Form
Proponent**

BDO Canada LLP

Doane Grant Thornton

Criteria

Related Experience (40%)	Incumbent Engagement Partner, Engagement Manager and Senior Preparer have all worked on our audit Each have several municipal clients Commitment to continuity Forward looking on PSAS requirements 2026-27	38	26 NS Municipal Clients Key personnel have municipal audit experience Commitment to continuity Desire to consider FRAM alongside PSAS	36	1.178571
Cost (40%)	2025-26 35,310 2026-27 42,426 - PSAS implementation blip 2027-28 38,948 2028-29 40,981 2029-30 43,121 \$ 200,786 Effort - 220 hours Avg hourly \$177.67		Hybrid Audit 2025-26 32,155 2026-27 34,335 - PSAS changes may be extra 2027-28 36,515 2028-29 38,695 2029-30 43,121 \$ 182,575 Effort - 150 hours Avg hourly 243.43 Fully remote audit 2025-26 29,340 2026-27 31,338 2027-28 33,245 2028-29 35,153 2029-30 37,060 \$ 166,225 Effort - 136 hours Avg Hourly 244.45 Inflation >5% triggers review		
	5 entries or less New ERP software will likely cause extra fee in year of implementation in both cases				
		Adjustments to make the proposals more comparable			
	Starting amount	\$ 200,786	Starting amount	\$ 182,575	
	Fieldwork budget 170 hours		Effect of major PSAS changes Fieldwork budget 113 hours For benefit of doubt - split difference - 29 15 hours @ \$180= 2,700 14 hours @ \$110 = 1,540 \$4,240*1.09*5	5,350	
		\$ 200,786		<u>23,108</u> \$ 211,033	
		40		38	
RFQ Content and Completeness (10%)	All asked for items presented Flagging of PSAS issues coming up	10	All asked for items presented	8	
Value Added Services (10%)	Good list of services (some complimentary)	9	Full slate of services	10	
Total		97		92	



PROPOSAL TO PROVIDE FINANCIAL AUDIT SERVICES TO

THE TOWN OF MIDDLETON

September 26, 2025 - 2:00 pm

To: Ashley Crocker
Chief Administrative Officer
Town of Middleton
131 Commercial Street, PO Box 340
Middleton, NS B0S 1P0
T: 902 825 4841 ext. 105
E: acrocker@town.Middleton.ns.ca

From: Lauren Vail, CPA, CA
Partner
BDO Canada LLP
6940 Mumford Road, Suite 510
Halifax, NS B3L 0B7
T: 782 355 0227
E: lvail@bdo.ca



Tel: 902-892-5365
Fax: 902-892-0393
www.bdo.ca

BDO Canada LLP
6940 Mumford Road, Suite 510
Halifax, NS B3L 0B7

Ashley Crocker
Chief Administrative Officer
Town of Middleton
131 Commercial Street, PO Box 340
Middleton, NS B0S 1P0

September 26, 2025

Dear Ashley,

Thank you for the opportunity to submit a proposal to provide external audit services to the Town of Middleton (the "Town"). Please find enclosed, BDO's proposal, which includes an overview of the scope of work, our firm and team's qualifications, our audit approach, and our proposed fees.

As your current auditors, we have a strong understanding of the Town's operations, municipal audit requirements, and public sector accounting standards. Our response demonstrates our ongoing commitment and ability to continue meeting the needs of the Town. You will continue to be served by Lauren Vail, Audit Partner, and Edele Oakey, Audit Manager, who together bring extensive experience in municipal and public sector audits across Atlantic Canada. Our approach balances technical expertise with practical, efficient processes, while fostering open and respectful collaboration with management and Council.

Our value lies in the depth of knowledge and trusted relationship we have already built with the Town. We remain committed to supporting you with consistent, efficient, and effective audit services, along with value-added insights that strengthen your control and reporting environment.

At BDO, we believe in the power of collaboration—our philosophy of Do More Together ensures that the Town benefits not only from our dedicated team but also from the collective knowledge we bring from serving over 350 municipalities across Canada. With our local presence, national resources, and values of practical experience, technical mastery, and kindness, we are confident BDO is the best fit to continue serving the Town with the audit of its financial statements.

We confirm BDO is registered to do business in the Province of Nova Scotia and BDO is a member in good standing with the Chartered Professional Accountants of Canada and the Chartered Professional Accountants of Nova Scotia, as well as being a registered municipal auditor with the Department of Municipal Affairs and Housing.

If you have any further questions, please feel free to contact me directly at 782-355-0227 or LVail@bdo.ca.

Yours truly,

A handwritten signature in black ink that reads 'Lauren Vail' in a cursive script.

Lauren Vail, CPA, CA
Partner
BDO Canada LLP
Chartered Professional Accountants

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Organizational Structure / Background

Understanding of your needs

After careful review of the Request for Proposal, we understand that the Town requires the following services for the year ending March 31, 2026 to meet your needs:

Audit services tailored to the Town

- ▶ Provision of audit services in accordance with the Canadian Generally Accepted Auditing Standards and Public Sector Accounting Standards ("PSAS").
- ▶ Preparation of the Consolidated Financial Statements for the Town along with notes and supporting schedules, prior to July 31st each year.
- ▶ Preparation of an annual report on internal controls outlining any weaknesses and recommendations for improvement, prior to July 31st each year.
- ▶ Presentation of the audited financial statements the Audit Committee, as called, to discuss our work and reports.
- ▶ Provide accounting and other financial advice, as requested.

Exceptional client service for the Town

We will prepare an annual management letter for discussion with management and Town Council, to provide the Town with added value:

- ▶ Advise the Town of any forthcoming changes in accounting and reporting requirements.
- ▶ In addition to internal control recommendations, provide business insights that may be valuable to the operations of the Town.

In addition to the required scope of services outlined in the RFP, BDO will act as a year round advisor to the Town. We want management to feel comfortable reaching out to us with not only accounting questions, but also operational matters which we may be able to assist with.



Firm overview

BDO CANADA

REVENUE
CAD\$1.04
Billion

 **80+**
offices

472 **4,673**
 PARTNERS HEADCOUNT  PERSONNEL HEADCOUNT

BDO ATLANTIC

90%
Growth rate in
the last 5 years

 **4**
offices

15 **225+**
 PARTNERS HEADCOUNT  PERSONNEL HEADCOUNT



About BDO Canada

At BDO, our priority is understanding what matters to you - your challenges, your ambitions, your “more”. Every client’s vision is unique, and we work alongside you to provide solutions that are both practical and forward-looking.

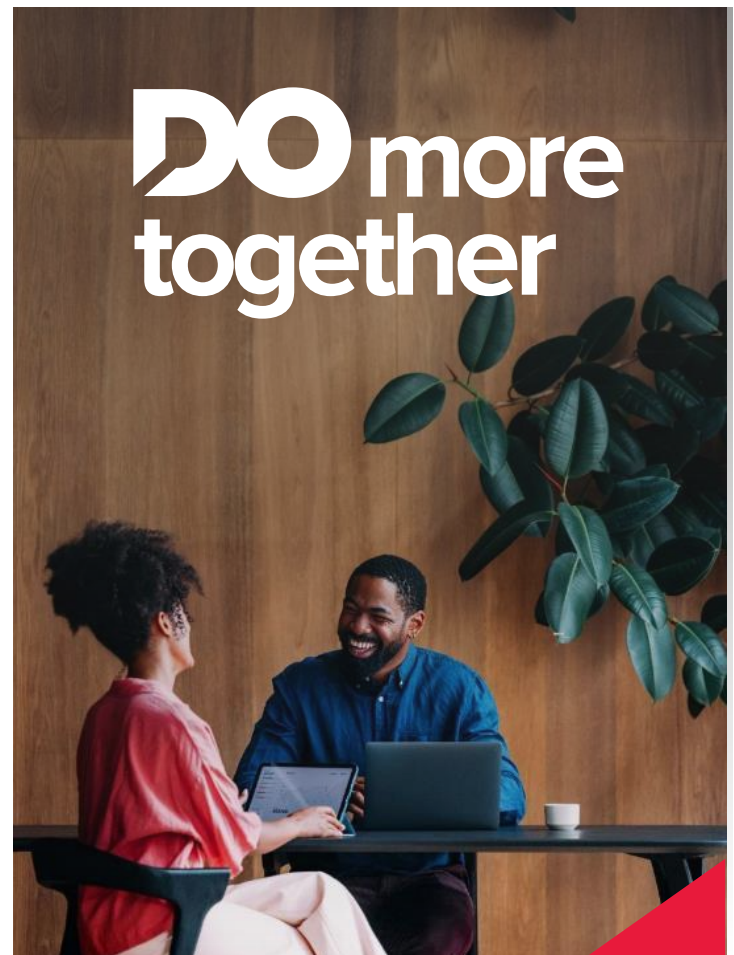
For more than a century, we have served clients and communities across Canada, offering a full range of professional services. Our team brings technical excellence and deep industry knowledge, helping you address immediate needs while preparing for future opportunities.

What defines our approach is not only expertise, but also the care and commitment we bring to every relationship. We listen closely, offer clear guidance, and stay focused on your long-term success.

Whatever your goals, your vision, your “more”, we will get there, together.

BDO Atlantic

BDO operates as one Atlantic office, which is made up of over 225 professionals, and consists of an experienced team of approximately 15 partners, 40 senior managers and managers, as well as over 170 professional staff spread across seven locations. Functioning as a cohesive unit, this region shares all resources in order to better serve our clients.



Commitment to exceptional client service

BDO client experience

BDO is committed to providing you with an unparalleled client experience. Outlined below are the key tenets of our exceptional client service:

Check-in sessions

At a mutually agreed upon frequency, we would meet with representatives from your management team to review operational and business matters. These sessions would be free of charge. A preliminary agenda for the meetings could include, but not be limited, to the following:

- A general overview and review of current operations
- A comparison of actual results with projected results from budget
- Strategic/operational recommendations for improvement
- Discuss other opportunities for the Town
- Discuss any other issues or opportunities facing your sector and other matters important to the success of the Town

BDO's professionals are committed to providing exceptional client service in the following ways:

- **Collaborative approach** - We will work with your team at all levels to ensure service excellence.
- **Early and continuous partner involvement** - Our professional staff to partner ratio is lower than our major competitors, enabling more time for partners to be actively involved in the audit.
- **Streamlined structure, direct access** - To stay agile and flexible we have cut out needless hierarchies and bureaucracy, affording your team direct access to senior technical and executive leadership.
- **Responsive** - Any issues that may arise with respect to reporting or accounting technical research matters will be quickly resolved as your engagement team and our local technical resources work side by side with you. This sets us apart from others.



Quality assurance

Our quality of professional services is maintained by means of appropriate standards committees within the firm, appointed by and responsible to the firm's executive committee. Our national quality assurance program requires a formal inspection of BDO offices every four years by a review team from within our national firm. The reviews assess the quality of the work performed and their compliance with BDO's professional standards, as well as with the CPA Canada Handbook and the Public Sector Accounting Standards (PSAS).

Quality Assurance Procedures

The primary objective of our quality review procedures is to confirm that the audit process obtains sufficient and appropriate evidence to provide high assurance that the Town's financial statements are free from material misstatement, that all material or potential material matters, or issues raised during the audit have been satisfactorily resolved and that the audit has been carried out in accordance with our firm's policies and procedures.



We will conduct various levels of review on our work during the course of the audit.

- ▶ A **Detailed Review** will be performed by Edele Oakey. She will review the financial statements, our report and all working papers including the audit tests and conclusions by the audit team; and
- ▶ A **General Review** will be performed by Lauren Vail, the Engagement Partner. She will review all working papers, financial statements, proposed audit opinion, notes on significant decisions made during the audits, and review notes made during the detailed review.
- ▶ **Internal consultation on any complex accounting or audit matters** identified during the audit will be performed by Neilson Woodman.
- ▶ In addition to the above reviews, a **Financial Statement Review** will be performed by Neilson. This encompasses a review of the financial statements and our report thereon to provide the additional assurance that the disclosure and presentation objectives for the financial statements have been achieved. We believe this to be of particular importance to the Town, given the noted focus on appropriate presentation of the financial statements.

The firm's strict mandatory professional development guidelines apply to all professional staff, ensuring that everyone maintains and enhances their ability to deliver a high level of service to clients.

Our present guidelines require all professional staff to receive a minimum of five days per year of professional development. Professional staff are required to participate in the firm's internal professional development program, which includes office seminars and video presentations, as well as regional and national conferences covering an extensive range of technical, management and specialty topics. In addition, professional staff are encouraged to participate in externally offered programs and courses.



Project Team and Qualifications



Your BDO team

In selecting your service team, we have carefully reviewed our understanding of your needs and have identified the people whose credentials are best suited to your requirements. Lauren will lead your audit and be your main points of contact. Edele will manage a team of senior and junior staff who will support her in carrying out the audit.

We are committed to staffing your engagement with individuals who are knowledgeable in auditing municipalities and organizations in the greater public sector.

The service team selected for your project includes talented team members who are currently working with clients within the public sector executing various projects, including municipal audits. We commit to their availability for the duration of this engagement.



Engagement leadership



Lauren Vail
CPA | CA
Engagement Partner

Engagement team



Edele Oakey
CPA
Engagement
Manager/Detailed
Reviewer



Janelle Holt
Senior Preparer



Neilson Woodman
Technical Reviewer



Mattie Base
Intermediate Preparer

Support from other BDO advisory professionals and subject matter experts will be utilized, as required or as requested by the Town.

Your BDO team



Engagement Partner

Lauren Vail, CPA

Engagement Partner, Assurance

T: 782-355-0227

E: lvail@bdo.ca

Lauren is a partner in the Charlottetown office of BDO Canada LLP, and she has over 14 years of experience providing assurance and accounting advisory services to a wide range of governments, institutions, private enterprises and not-for-profits. She specializes in the assurance and accounting advisory services for the public sector.

Lauren is part of BDO's National Accounting and Audit Standards team, providing external accounting advisory services and internal technical resources on complex accounting matters nationwide, using her in depth understanding Public Sector Accounting Standards ("PSAS"). She also currently sits on the Public Sector Accounting Standards Board's cloud-computing task force, working with stakeholders nationwide to develop a new accounting standard.

PROPOSED ENGAGEMENT ROLE

Lauren will lead the overall audit, including planning, execution, and delivery. She will be the primary contact with your finance team, oversee staff, and coordinate specialists as needed. In addition to ensuring compliance with PSAS, Lauren will provide practical insights and recommendations to support strong governance and financial reporting.

NON-EXHAUSTIVE CLIENT EXPERIENCE

- ▶ Town Middleton
- ▶ Town of Mahone Bay
- ▶ City of St. John's
- ▶ City of Mount Pearl
- ▶ City of Sarnia
- ▶ City of Clarence-Rockland
- ▶ Nova Scotia Farm Loan Board
- ▶ Nova Scotia Fisheries Loan Board
- ▶ Annapolis Valley First Nation

EDUCATIONAL AND PROFESSIONAL BACKGROUND

- ▶ Chartered Professional Accountant, Chartered Accountant
- ▶ Bachelor of Business Administration, Accounting, University of New Brunswick

Your BDO team



Engagement Manager

Edele Oakey, CPA

Manager, Assurance

T: 709-999-0208

E: eoakey@bdo.ca

Edele is a Manager with over 10 years of experience working with BDO in various roles. Edele started her career with BDO as an accounting technician before obtaining her CPA designation and transitioning into assurance services. This gives Edele a unique and in-depth understanding of the application of accounting practices and enables her to assist clients with the implementation of recommendations identified during the audit. Edele also uses her skill set to help clients identify financial reporting improvements.

Edele's career has been heavily focused on serving primarily public sector clients. This familiarity with PSAS will allow her to bring valuable insight to the Town's engagement.

PROPOSED ENGAGEMENT ROLE

Edele will serve as the engagement manager for the Town. Edele will apply her skill set to oversee an effective and efficient audit process, review PSAS financial statements and accompanying notes and develop and assist with policy compliance as required. Edele understands the importance of providing exceptional client service through collaboration and achieving desired objectives.

NON-EXHAUSTIVE CLIENT EXPERIENCE

- ▶ Town Middleton
- ▶ Town of Mahone Bay
- ▶ City of Mount Pearl
- ▶ Town of Paradise
- ▶ Town of Marystown
- ▶ City of Corner Brook
- ▶ Town of Cox's Cove
- ▶ Western Regional Services Board
- ▶ Multi-Materials Stewardship Board

EDUCATION

- ▶ Chartered Professional Accountant
- ▶ Bachelor of Arts, double major (English/French)
- ▶ Bachelor of Education, Intermediate/Secondary

Your BDO team



Senior Preparer

Janelle Holt, CPA Candidate

Senior Accountant, Assurance

T: 902-536-0686

E: jholt@bdo.ca

Janelle has three years of public accounting and audit experience, working on various engagements for not-for-profit organizations, and municipalities reporting under PSAS, including working on the Town of Middleton audit for the past two years.

Janelle participates in BDO's professional development initiatives including annual accounting and assurance updates and web-based seminars on specific accounting and auditing topics.

Janelle will oversee the day-to-day audit work, supervising Mattie and any other junior staff to ensure that the audit plan is executed efficiently. She will act as the main point of contact for management during fieldwork, reviewing working papers and escalating complex matters as needed to Edele and/or Lauren.



Intermediate preparer

Mattie Base, CPA Candidate

Intermediate Accountant, Assurance

T: 902-423-3231

E: mbase@bdo.ca

Mattie has two years of public accounting and audit experience, working on various engagements for not-for-profit organizations and municipalities.

Mattie stays current with relevant changes and amendments to Financial Reporting & Canadian Auditing Standards through BDO's in-house Learning and Development program, as well as through her studies to pursue her CPA designation.

Mattie's role within this engagement would be that of an intermediate resource, assisting Janelle with the completion of the audit.

Your BDO team



Technical Reviewer

Neilson Woodman, CPA

Office Technical Leader, Assurance

T: 506-777-2983

E: nwoodman@bdo.ca

Neilson is a Senior Manager in the Moncton office acting as an Office Technical Leader for the Atlantic Assurance practice. He has over 11 years of experience servicing audit clients across Atlantic Canada, and has recently joined the BDO New Brunswick office as of October 2024.

Prior to joining BDO, Neilson served as Senior Manager with a Big Four accounting firm in Moncton, NB. His client base primarily consisted of organizations in the Credit Union and manufacturing sectors, both of which had robust control environments where control reliance was leveraged to enhance the respective audits of those organizations.

In his capacity as Audit Senior Manager, Neilson also serviced a number of public sector entities, from small municipalities, to one of the largest self-governing Indigenous governments in Canada. As a result of this experience, Neilson has a strong understanding of Public Sector Accounting Standards, as well as Accounting Standards for Private Enterprises, and International Financial Reporting Standards.

As an Office Technical Leader, Neilson's role is to provide an extra layer of expertise and assurance. He works closely with the audit team to address any complex accounting matters that may arise, including consultations on unique transactions and the adoption of new accounting standards or policies. Importantly, Neilson also completes a second review of the Town's financial statements, ensuring they are fully compliant with Public Sector Accounting Standards (PSAS). His involvement means the Town benefits from both the knowledge of your dedicated audit team and the added confidence of a technical expert focused on quality and compliance.



Staff continuity and turnover

Commitment to staff continuity

Under the BDO audit methodology, the staffing of individual audits is one of our key areas of consideration. We have scheduled your audit so that the partner, manager and senior in-charge will have previous experience working on the Town's audit. We strive to maintain a high degree of continuity on all our client assignments. This system of operating demonstrates our value of building strong working relationships. Our goal is to ensure the assignment of the same team members to you each year, so that we can reduce disruptions to your operations and more efficiently monitor and control the quality of service you receive.

Should change be required

BDO places a high level of importance on staff and partner continuity. It is not our policy to rotate staff or partners on audit assignments unless required by standards or requested by the client. Our goal is to assign the same team members to you each year so that we can reduce disruptions to your operations and efficiently monitor and control the quality of service you receive.

If an engagement team member needs to be changed due to unforeseen circumstances, the partner and senior manager will ensure a smooth transition of the new team member with no impact on the fees quoted. The senior manager will provide a comprehensive training program to ensure that the new engagement team member is familiar with the scope of work, requirements and schedule and that there is no 'learning-on-the-job'. Our philosophy is that it is our responsibility, not our client's, to train our staff.

Back-up personnel

In addition to the team members and team structure outlined in the previous pages of this proposal, our BDO Halifax office has a wealth of resources at the junior and intermediate accountant level. Our assurance practice is growing rapidly, having hired six full-time junior accountants in the last five months with no turnover at the position. If we determine there may be efficiencies in having additional staff added to the team, or if the originally assigned junior staff becomes unavailable for any unforeseen reason, you do not need to be concerned about any delays in your audit, we will be able to replace them promptly and without disruption.





Previous Relevant Experience

Knowledge and experience with PSAS

Knowledge of reporting requirements

BDO is very familiar with the legislative authority that is most frequently referenced in the completion of our audits of Nova Scotia municipalities. We demonstrate our knowledge of this legislation daily through our work with our municipal clients.

The following is a list of legislative authority that is most often referenced:

- ▶ CPA Canada - PSAB Handbook with guidelines
- ▶ CPA Canada Handbook - Accounting Section
- ▶ CPA Canada Handbook - Auditing Section
- ▶ The Canada Community - Building Fund - Administrative Agreement on the Federal Gas Tax Fund



PSAS Updates

The profession of public accounting is constantly changing with modifications in accounting standards and financial reporting standards. As a National Firm, we have a dedicated team to review and respond to proposed new accounting standards before they are issued. When new standards are released, this same team can provide training and resources to our staff so that we can be informed and communicate with our clients. There are currently many new standards on the horizon and other projects on the go with the Public Sector Accounting Board including:

- ▶ Revised Conceptual Framework and Reporting Model
- ▶ New Section - PS 1202, Financial Statement Presentation
- ▶ Re-exposure Draft - PS 3251, Employment Benefits
- ▶ Exposure Draft - 2022-2023 Annual Improvements
- ▶ Exposure Draft - Tangible Capital Assets, Proposed Amendments to Section PS 3150
- ▶ Exposure Draft - GAAP Designation of PSA Handbook Appendices Narrow Scope Amendments
- ▶ Exposure Draft - The Conceptual Framework for Financial Reporting in the Public Sector
- ▶ Consultation Paper - PSAB’s Draft 2022 - 2027 Strategic Plan
- ▶ Active Projects - Intangible Assets
- ▶ Active Projects - Cloud Computing Task Force

We will proactively work with the Town to ensure that there is an understanding of the new standards, and that the necessary information is captured for disclosure within the time frame allotted.

Spotlight on Municipalities	
Revised Conceptual Framework and Reporting Model (effective April 1, 2026)	Major Impact
PS 1202, Financial Statement Presentation (effective April 1, 2026)	Major Impact

How we meet the needs of municipalities

Consistency and Continuity of Advice

- ▶ BDO serves more than 1,100 public sector clients across Canada. This means we understand your industry sector and have both industry and technical expertise to provide efficient services along with additional value-added advice. Public Sector clients are a priority for us, resulting in you receiving the best resources.
- ▶ Public Sector Accounting Standards (“PSAS”) are nuanced and complex. There are new standards that will be in effect for years ending on or after March 31, 2026. BDO is on the leading edge of understanding the new standards and breaking them down to make practical sense of the changes and how they will impact our clients. The adoption of the PS 1202, Financial Statement Presentation standard will result in a restricted statement of financial position, a new statement of net financial assets (liabilities) that will display a revised calculation of net debt, a new statement of changes in net assets (liabilities) that will show a reconciliation between opening and closing balances of each component of net assets (liabilities). Understanding the new reporting model is important as this will help determine how significant the impact will be on your organization.
- ▶ We have a nationally established and active Public Sector Industry Group and a Municipal Sub-Industry Group, which offers a forum for collaboration among our auditors and specialists serving these organizations. The group facilitates the exchange of current information and ideas, enabling BDO to provide the best quality service to our clients, no matter the size, no matter the location.
- ▶ Members of your proposed team are part of our PSAS Centre of Excellence, which is built on partner-led, hands-on service, designed to accommodate the unique needs of our public sector clients. This collaboration leads our professionals to provide efficient and cost-effective audits, access to indirect tax and advisory industry specialists, encourages collaboration and sharing of best practices, ensures increased staff continuity and training - all resulting in an improved, value-added service. With access to BDO’s professionals who serve similar clients throughout Atlantic Canada and across Canada, we have the experience and knowledge to address your issues, challenges and opportunities as they arise.
- ▶ Our quality of professional services is maintained by means of appropriate standards committees within the firm, appointed by and responsible to the firm’s executive committee. This allows for a standard process for peer reviews across the firm.
- ▶ The Public Sector and municipal clients are a priority for us, resulting in you receiving the best resources.

Preparedness to respond to limited time frames

- ▶ One of our key differentiators is senior team time and attention, resulting in high quality, proactive service. We utilize a partner-led approach and senior team involvement with regular check-ins which results in a proactive and on-going communication during the audit and throughout the year. Lauren Vail, Audit Partner, and Edele Oakey, Audit Manager, will be in contact with you throughout the engagement, focusing on exceeding your service expectations.
- ▶ At BDO, we believe in maintaining regular communication year-round to address issues in a timely manner. We are proactive in our approach to communication and will communicate with the Director of Finance and management from the planning process through to the final stages of the audit to ensure management fully understands the financial intricacies of the organization. Our commitment is to serve through a long-term responsive relationship matching your needs with our experience. Our organizational communication structure focuses on communication throughout the audit from all personnel. BDO is proud to offer early and continuous partner involvement and proactive, continuous communication to help you meet your needs, challenges and business goals.

How we meet the needs of municipalities

Cost efficiency and monitoring of costs

- ▶ We understand the importance of efficiencies and cost control for municipalities and have specifically designed our approach to provide our engagement team with the tools they need to deliver services in a cost-effective manner, on time and on budget.

Ease of accessibility to municipal staff

- ▶ BDO utilizes technology to make our audits as efficient and effective as possible. As a result, we are able to reduce the amount of time required for the audit, resulting in less fees for the Town. Our technological tools enable us to directly interface our accounting software with the information exported by your software to ensure accurate and secure transfer of information.

Availability to attend Council Meetings if required and to report on the annual audit

- ▶ In our timeline on page 28, we have committed to attending Council meetings to report on the annual audit, if required.
- ▶ We are available to meet virtually with council and/or to have Lauren available to meet in person to report on the annual audit.

Value-added services and resources

- ▶ We hope our partnership goes beyond the audit services, and you will see our team as an extension of your team. We will be in your corner to advise the Town on critical decisions facing the community and share our wealth of experience.
- ▶ BDO is well positioned to support you now and into the future. We offer a range of value-added services tailored to our municipal sector clients, such as controls and risk management, financial literacy and governance training, information technology, managing fraud, and cybersecurity. Your success and strategic goals are important to us and the community. So, we would like to provide the utmost fundamental guidance we can offer.





Audit Strategy



Approach, methodology & innovation

Audit services methodology



High Quality, Risk Focused Audit

BDO employs a proprietary global audit methodology that will enable your BDO engagement team to conduct a high quality, risk-based audit with maximum efficiency and minimal disruption to your operations and people. While all financial statement audits are required to comply with applicable auditing standards, audit firms use different methodologies to meet those standards, and the methodology used can have a significant effect on the quality and efficiency of service provided. Your time is valuable and we want to ensure the efforts required by your team are minimized where possible, by focusing on the most high risk areas of the audit.

A thorough understanding and assessment of the risks of material misstatement, whether due to fraud or error, in the financial statements is fundamental to performing an efficient and effective audit and is key to our audit approach. In determining higher risk audit areas, we consider various matters such as complexity, subjectivity, estimations, inherent and control risks and the likelihood and potential magnitude of misstatements. Our risk assessment process is led by the partners and senior manager, with input from management and Council.

Senior Leadership for the Town Engagement

Our experienced partners and professionals are involved in every aspect of their engagements. We deliver technical support and guidance through a streamlined, accessible organization, which translates to timely responses and swift resolution of technical issues or questions. Lauren Vail is one of BDO Canada’s Public Sector Technical Leaders and sits on various committees and task forces for the Public Sector Accounting Standard’s Board, while Edele works on several municipal and other public sector clients in Atlantic Canada. Together, they will be a wealth of knowledge for the Town.

Coordinated Approach

- ▶ We place significant emphasis on close coordination with management to gain a meaningful understanding of management’s own risk assessments and procedures in place to address those risks in order to make our own work as efficient and effective as possible.
- ▶ We will assess and test controls at appropriate times throughout the year, as applicable, to best accommodate your schedule.
- ▶ A risk based audit approach combined with a well coordinated team will be the catalyst for an efficient audit process.
- ▶ We gather sufficient information on the market and key business/audit risks to enable us to design appropriate audit procedures and conduct the audit in the most efficient manner and within the agreed time frame and budget. Information gathering will also include a “prepared by client” list and agreed upon timetable.
- ▶ We promote clear and timely communication of issues to avoid last minute surprises and to enable smooth and timely reporting.

What the Town Gains

- ▶ **Auditor continuity** - BDO, as your incumbent auditors, has an established relationship and the Town can rely on past experience as an indicator of our commitment to quality;
- ▶ **Collaboration** - the opportunity for the Town to have input on all aspects of our audit;
- ▶ **Risk focused** - no wasted time on insignificant account balances;
- ▶ **Leadership involvement** - high level of involvement of Engagement Partner and Manager, to ensure quality and no surprises; and
- ▶ **Wrap-up meeting** - using your feedback to continuously improve the audit each year.

Approach, methodology & innovation

Audit services methodology

Internal controls testing can have a significant impact in reducing statistical sample sizes and maximizing audit efficiency and effectiveness. BDO puts an emphasis on internal control testing as part of our audit approach. We perform a thorough assessment of the control environment and leverage our experience with the sector to efficiently identify areas of internal control strength and weakness. In our assessment of internal controls, our first step is to divide internal control into five components, which allows us to consider how different aspects of an entity's internal control may affect the audit. As part of the risk assessment phase during the planning stage of our audit, we obtain an understanding of each of the following internal control components.



We then work with management and your accounting staff to develop detailed documentation of each significant financial statement area that includes all the relevant processes and controls. These control documents are updated each year during our interim audit to encompass any changes in your systems. We then perform detailed walkthroughs of each of these transaction streams, which includes observing the effectiveness of each control to ensure that they are operating as intended. Once these walkthroughs are completed, in any areas where the control environment is assessed to be strong, we select certain key controls and test their effectiveness throughout the year. If these internal control tests are completed as planned, we are able to rely on them as part of our audit. When control weaknesses or areas where controls could be improved are identified, they are discussed with management and a plan to strengthen controls in that area is brought forward to management.

Controls relevant to the audit are those that relate to financial reporting, however, not all controls that relate to financial reporting will be considered relevant. Generally, we document and test controls that prevent, detect or correct, material misstatements in the financial statements. We are not specifically concerned with controls related to other areas such as operations or compliance with laws or regulations unless they have a direct impact on financial reporting. Our controls-based approach has been designed to align the objectives of the auditors with those charged with governance. BDO's overall audit testing methodology is to use the most efficient combination of internal control and substantive procedures. Our experience has shown us that this approach produces a high-quality audit that delivers strong value relative to fees.

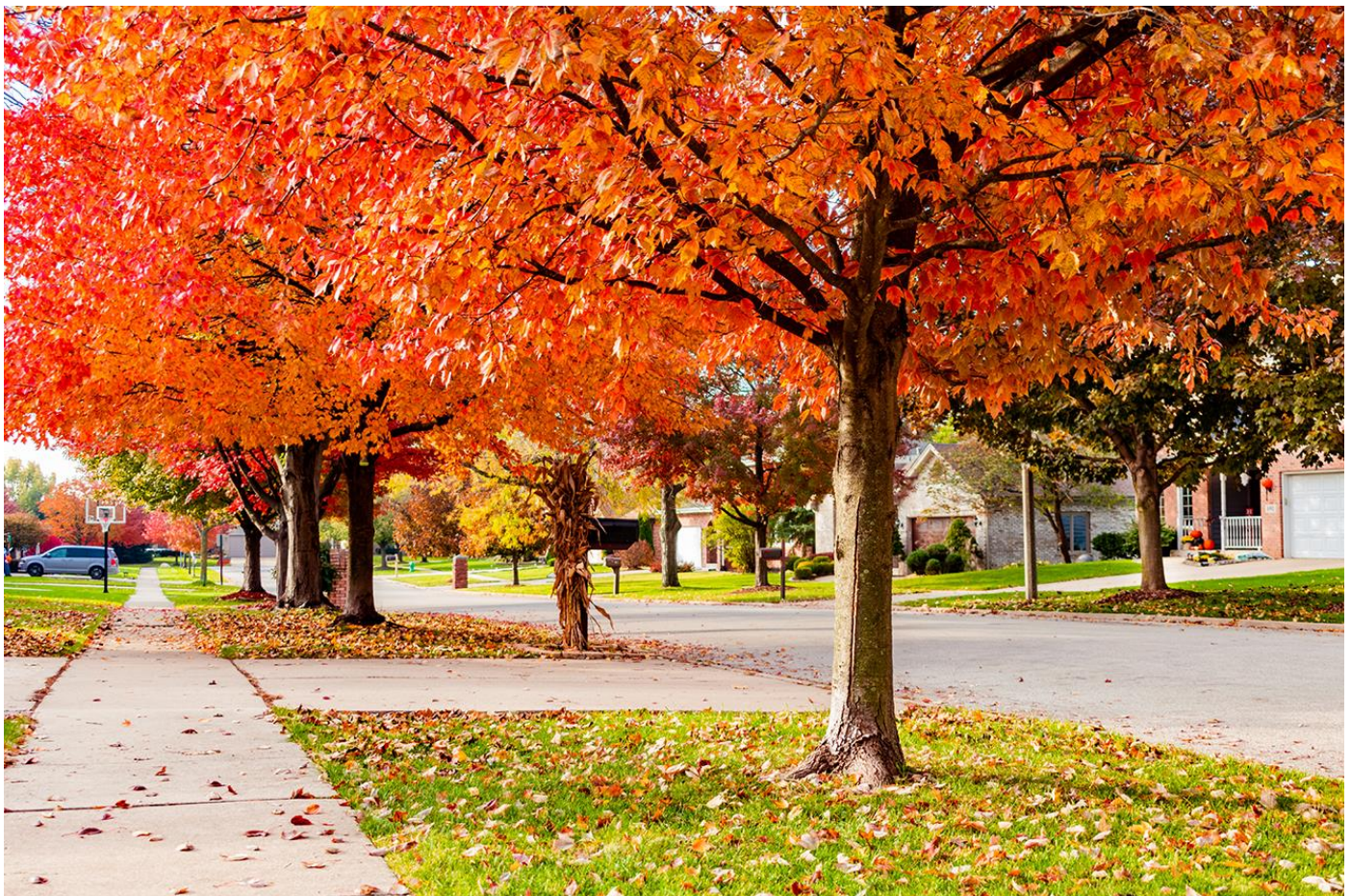
Approach, methodology & innovation

Audit services methodology

Substantive and compliance testing

We use a combination of testing detailed transactions and substantive analytical procedures to verify the accuracy, completeness, and existence of balances. While testing transactions provides strong assurance, analytical procedures give us insights into whether the amounts reported are in line with expectations. Our analytical procedures may include:

- ▶ Trend analysis - where balances and expense or revenue amount are expected to be consistent from year to year, we will investigate unexpected variances.
- ▶ Ratio analysis - where accounts are expected to vary in relation to one another, we will investigate unexpected changes.
- ▶ Predictive analysis - where balances are highly predictable based on known inputs, we can form expectations and investigate deviations from the predicted amounts.
- ▶ Data analysis - using data extraction and analysis tools, we can identify unexpected trends, high risk transactions, and unusual relationships quickly and on vast numbers of transactions.



Approach, methodology & innovation

Audit services methodology

Materiality and critical levels of error

Materiality is broadly defined as that point at which a misstatement or aggregation of misstatements would likely change or influence the decision of a person who is relying on the financial statements and who has a reasonable knowledge of business and economic activities. Materiality is determined using both quantitative and qualitative factors. Materiality thus becomes a key component in determining the nature and extent of audit procedures, as well as the mark against which audit findings are evaluated.

Canadian Audit Standards require the auditor to communicate on a timely basis all misstatements during the audit with the appropriate level of management. BDO's approach is to have an open discussion with management to determine if the item is actually an error or whether additional information is required. If BDO and management agree the item is an error, we request an adjustment for errors greater than 5% of materiality. If management chooses not to adjust, then an appropriate business reason needs to be provided for not making the adjustment.

Execution

We will determine the specific combination of procedures upon appointment during the audit planning phase of the audits. The team will perform the detailed audit procedures during the execution phase of our audits, including select procedures during interim testing where applicable. We will utilize a mix of test of controls, analytical and other substantive procedures to obtain sufficient appropriate audit evidence over the material account balances and transactions. We always strive to design a mix of procedures that will not only fulfill our audit requirements, but also be the most efficient, in order to reduce the burden of our procedures on management's time. All procedures performed will be approved in our audit plans presented to management.

The senior team will be involved throughout the execution process to ensure the approach remains appropriate, the team is on track, and issues are communicated and dealt with in a timely manner. Their involvement becomes even more pertinent upon completion of our detailed audit procedures being executed, as their review of this work is the process that helps ensure the quality of our audits. These reviews will be performed during the year-end execution phase, to ensure any issues are captured immediately, to avoid last minute requests or questions towards the end of fieldwork.

Should any such critical issues arise during the review process, we will discuss them with management immediately and work collaboratively to reach a solution that you are comfortable with.

During the execution phase, we will schedule regular meetings to ensure everyone is on the same page regarding the status of the audits, outstanding matters, and that no conversations go unaddressed. We will provide status updates to management throughout all phases of the audits at agreed upon frequencies and times. Communication is the key to any successful audit and scheduling these regular touchpoints ensures it remains a priority.

Evaluation

Upon completion of the execution phase of our audits, we will compile our findings in order to assess the impact, if any, on our Independent Auditor's Reports to the Town. We intend to be in regular communication throughout the year and during the audits; therefore, any findings should come as no surprise at the end of the audits.

Reporting

In addition to our Independent Auditor's Report, we will provide a management letter. This letter provides an overview of our audit results and details of any weaknesses in processes and internal controls identified during our audit, along with our recommendations for improvement. We will discuss the contents of the management letter with management in advance of the Audit Committee and/or Council meeting, to ensure our points are clear and that there were no misunderstandings throughout the audit. This communication regarding the contents of the management letter will also allow us to incorporate management's responses and intended actions into the final letter. Lauren has significant experience drafting and presenting management letters to her clients, and as a result, will be able to provide the Town with tremendous value through this communication.

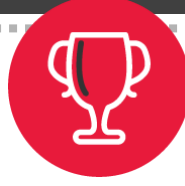
Approach, methodology & innovation

Audit tools & technology

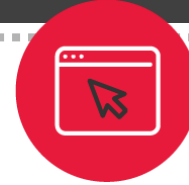
BDO's digital audit suite



**APT
Next Gen**



**BDO
Advantage**



**BDO Global
Portal**

BDO utilizes technology to make our audits as efficient and effective as possible. As a result, we are able to reduce the amount of time required for the audit, resulting in less fees for the Town. Our technological tools enable us to directly interface our accounting software with the information exported by your software to ensure accurate and secure transfer of information.

The proposed team has extensive experience auditing organizations that report under PSAs. BDO uses a global audit approach that enables our engagement teams to conduct consistent risk-based audits, with maximum efficiency and minimal disruption to our clients' operations and people.

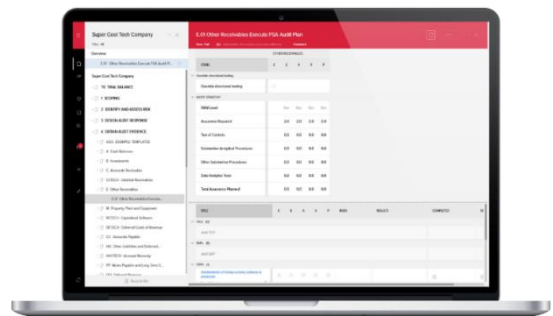
Our audit software and documentation tool 'APT' is an integral part of our audit methodology. Our professionals engage APT to devise and perform appropriate, risk-based audit procedures and testing based on applicable Canadian Auditing Standards (CASs) as well as to factor in engagement and industry-specific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

Through an expanded strategic alliance with Microsoft and the introduction of new technology, this worldwide tool is now capable of streamlining and focusing the audit process in even more ways for BDO professionals and their clients.

OUR AUDIT APPROACH SUPPORTS:

- ▶ **Consistency:** drives consistency and quality in audit execution throughout BDO, enabling us to be responsive to your size and location needs, providing access to the latest technology solutions
- ▶ **Customization:** providing sufficient flexibility to allow us to customize the scope of our work to meet your organizational needs, risk profile and changes
- ▶ **A digital approach:** we promote a paperless audit where we perform and document our audit and exchange information with you and your team using technology
- ▶ **Exceptional delivery:** using our highly trained teams, supported by state-of-the-art technologies and underpinned by an exceptionally intuitive audit methodology, to enable timely and efficient cross-border delivery of your audit

- ▶ **Compliance:** our audit approach and related technologies ensure compliance with Canadian Auditing Standards (CASs)

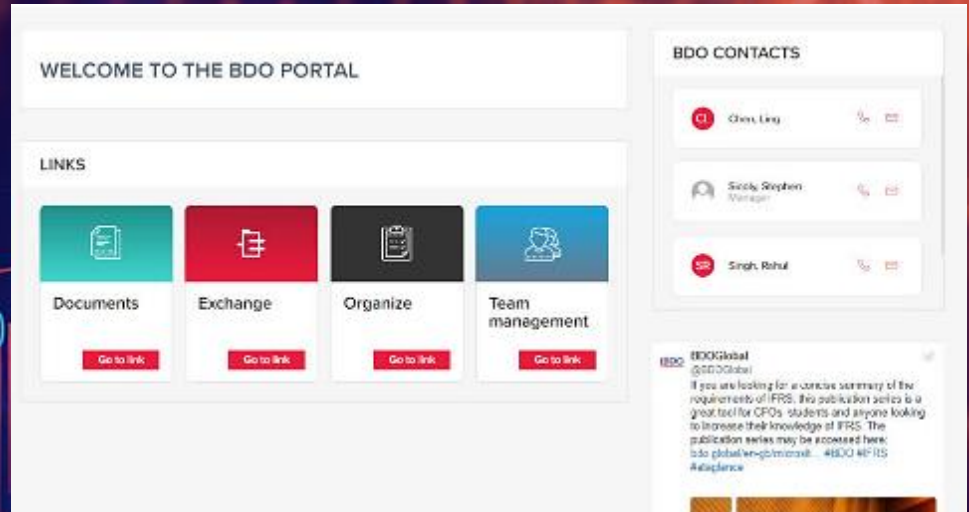


Approach, methodology & innovation

Audit tools & technology

BDO Global Portal

BDO's Global Portal transforms and enhances your digital experience with your BDO advisors, available at any time, the 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.



SECURE DOCUMENT SHARING

BDO Global Portal allows BDO and the clients to collaborate securely through features like multi-factor authentication, DocuSign, Data storage encryption, secure document exchange, and audit logging.



ONE PLATFORM, CUSTOMER AT THE CENTRE

The BDO Global Portal is a customer-centric solution, giving access to a range of modern tools and apps across service lines and industries.



24/7 ACCESS TO BDO SERVICES

BDO Global Portal provides 24/7 access to BDO services, modern tools, and apps, as well as insights tailored to your industry and business.



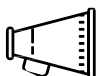
SEAMLESS & INTEGRATED EXPERIENCE

BDO Global Portal is an open platform enabling firms to integrate local applications and languages. Together with application like Exchange, it creates a seamless and tailored experience.



ENHANCED CLIENT COLLABORATION

BDO Global Portal offers a realtime collaboration space for BDO and its clients, including project, task, team management and workflow tools such as electronic signatures.



NOTIFICATIONS

Within the BDO Global Portal you can set the interval for when and which notifications you want to receive about the changes in the BDO Global Portal.

WHAT OUR CLIENTS ARE SAYING ABOUT THE BDO GLOBAL PORTAL:

“Our controllers and CFOs are happy about everything being visible in one place.”

“The portal is far better than others we have used - including from the Big Four.”

“The portal is secure, modern, and user-friendly.”

Communication

At BDO, we believe in maintaining regular communication year-round to address issues in a timely manner. We are proactive in our approach to communication and will communicate with the Director of Finance and management from the planning process through to the final stages of the audit in order to ensure management fully understands the financial intricacies of the organization. Our commitment is to serve through a long-term responsive relationship matching your needs with our experience. Our organizational communication structure focuses on communication throughout the audit from all personnel. BDO is proud to offer early and continuous partner involvement and proactive, continuous communication to help you meet your needs, challenges and business goals.

Year-Round Communication	Planning	<ul style="list-style-type: none"> ▶ Communicate with the Town to review the audit approach, the responsibilities of management and the auditor. ▶ Confirm our independence as auditors. ▶ Determine any additional areas of concern for us to consider when undertaking the audit. 	After the audit has concluded, members of the audit team will hold meetings with management to have a more detailed discussion on how the audits operated. This gives the Town an opportunity to raise areas they enjoyed about the audit and areas for improvement. This is something we make a point of doing with our clients in order to continually improve the audit process each year.
	Interim Audit	<ul style="list-style-type: none"> ▶ Update our documentation on the key controls and processes in place in each major transaction stream and perform our tests of controls. ▶ Perform our IT General Controls assessment of key IT systems that impact financial reporting. 	
	Year-End Audit	<ul style="list-style-type: none"> ▶ We deal with issues immediately, leaving no surprises for the end of the fieldwork. This means complex areas of the audit are completed earlier. ▶ Review the draft audit report and financial statements prior to the statements being finalized. 	
	Post Audit	<ul style="list-style-type: none"> ▶ Provide management letter. ▶ Provide an Audit Findings Report. The Audit Findings Report will highlight any aspects of the audit that we believe would be of interest. 	

Post Audit Management Letter

It is a BDO policy that all significant weaknesses in internal controls that come to our attention during an engagement must be reported in writing, together with our recommendations for corrective action. However, we do not limit our comments to control weaknesses. As staff performs their engagement work, they are encouraged to make note of matters suitable for inclusion in the letter. If we observe areas where efficiencies could be made to operations or in the handling of particular transactions, we will also bring these matters to the attention of the Chief Administrative Officer and Director of Finance. The facts of each individual finding is then discussed with management to ensure that all relevant data has been considered. We will also provide recommendations for corrective actions as may be required and be prepared to provide advice and assistance with regard to implementation, if required.

We view the management letter as an opportunity to provide a constructive service and stress that they should be issued on a timely basis. The preparation of the letter receives the same degree of care and attention as the engagement report. Before release, the engagement partner will review the letter with the Town and ensure that the individual recommendations are meaningful, and that the overall presentation is effective. If necessary, we confirm we will revise the management letter following management discussion.



Audit Timeline

Audit Timeline

Proposed Timeline

The following is a tentative project timeline based on our understanding of your financial reporting schedule and other timing requirements found in your RFP. This schedule is flexible and will be reviewed with you on an annual basis to ensure it meets your requirements and is approved by both parties.

We commit to meeting all deadlines and budget agreed to between BDO and the Town.

Town Proposed Time Schedule	
Milestones and Deliverables	Proposed dates
Engagement Planning <ul style="list-style-type: none"> ▶ Obtain signed engagement letter ▶ Preliminary planning meeting with management 	Upon re-appointment
Risk and Control Assessment <ul style="list-style-type: none"> ▶ Assess areas of risk and significance, including fraud risk factors that may exist ▶ Understand and evaluate controls and procedures in order to design the appropriate mix of control testing and substantive procedures ▶ Perform tests of controls ▶ Present audit plan to Audit Committee ▶ Perform substantive tests of details based on preliminary general ledger provided by management ▶ Review preliminary Council minutes and financial information to identify any potential significant issues 	January/February 2026
Audit fieldwork <ul style="list-style-type: none"> ▶ Perform year-end audit testing and analytical procedures ▶ Evaluate results and findings ▶ Accumulate judgments and differences 	May-June 2026
Evaluation and reporting <ul style="list-style-type: none"> ▶ Evaluate results and findings ▶ Provide draft audit report to management for review ▶ Present draft financial statements and management letter to the Audit Committee 	July 2026



References

References

We have a long history of providing value to organizations similar to the Town, and have built strong relationships with our contacts over the years. We have provided references to two municipal units who have been audit clients of BDO for the past several years. We welcome you to call upon the City of St. John's and the City of Mount Pearl. That said, the best reference who can speak to our services is the Town's CAO who has worked with Lauren and Edele for the past three year audit mandate.

We encourage you to contact our references so as to get a firsthand account of their experience with BDO.

Reference # 1



Services provided: Financial statement audit

Contact name: Derek Coffey, CPA, CA

Contact title: Deputy City Manager, Financial Management

P: 709-754-2489

E: dcoffey@stjohns.ca

Reference #2



Services provided: Financial statement audit

Contact name: Stephanie Hynes, CPA, CA

Contact title: Manager of Finance

P: 709-748-1159

E: shynes@mountpearl.ca

Reference #3



Services provided: Financial statement audit

Contact name: Ashley Yeadon-Wentzell, CPA, CA

Contact title: Manager of Finance

P: 902-624-8327

E: Ashley.Yeadon-Wentzell@TownofMahoneBay.ca



Estimate of Fees

Proposed fees

BDO has assembled an experienced team that will continue to provide efficient and effective service to the Town. Through our direct experience with the Town of Middleton, along with a combination of municipal audit and PSAS experience, we feel that our team can offer value to the Town. Furthermore, we can commit to meeting both your service needs and time requirements.

Based on our understanding of the Town, we have prepared a cost estimate for the audit. We undertake this process Town but ensure that our quoted fee is as accurate as possible. Our experience in performing the audit of other local public sector entities and municipalities allows us to guarantee the following: under no circumstances will there be any fee “surprises” unless the scope and representations made differs significantly from the information contained in the RFP. If out of scope items are identified, we will communicate the nature of item and obtain approval before performing billable services to correct the items identified.

Proposed Fees

Our proposed fees for the five years of the engagement are noted below. These rates are based on our knowledge of the total hours required to complete the Town’s consolidated audit and are based on a recovery of \$160 an hour for our time.

Deliverable	Town of Middleton				
	2026	2027	2027	2028	2029
Total fixed fee for the audit, internal controls letter and review of consolidated financial statements and related note disclosures	\$33,000	\$34,650	\$36,400	\$38,300	\$40,300
One-time fee for assessment of adoption of PS 1202 (effective for years ending after April 1, 2026)	-	\$5,000	-	-	-
Administration and technology fee (7%)	\$2,310	\$2,776	\$2,548	\$2,681	\$2,821
Subtotal	\$35,310	\$42,426	\$38,948	\$40,981	\$43,121
HST (14%, effective April 1, 2025)	\$4,943	\$5,940	\$5,452	\$5,737	\$6,037
Total	\$40,253	\$48,365	\$44,400	\$46,718	\$49,158

The fees above are derived from the following anticipated hours that will be required from each engagement team member in order to complete the audit on an annual basis. Fee increases each year are reflective of inflationary increases in the hourly rate of each team member, rather than an increase in time required to complete the audit.

Staff member	Estimated Hours	Hourly Rate
Lauren Vail, Engagement Partner	15	\$450
Neilson Woodman, Technical Reviewer	5	\$330
Edele Oakey, Manager	30	\$250
Janelle Holt, Senior Accountant	115	\$150
Mattie Base, Intermediate Accountant	55	\$100
Total	220	

Fee assumptions

We are committed to providing quality service to the Town that represents value for your money and is completely transparent when it comes to fees.

Lauren and the entire engagement team value a collaborative relationship with you and will invest the time to identify and communicate any potential issues that may impact the Town.

Fee Assumptions

Our fee estimate is based on the following assumptions:

- ▶ Town staff are scheduled to be available during the audit fieldwork.
- ▶ Town staff will prepare complete and accurate working papers to support our audit.
- ▶ There are no significant system or staff changes during the year and bookkeeping is complete.
- ▶ There are no major deficiencies in internal controls impacting our ability to complete the audit.
- ▶ There will be minimal adjusting entries (approx. 5 or fewer) required once we receive the year-end trial balance.
- ▶ If a significant change in reporting requirements in accordance with PSAS, we would discuss and review the issues and impact, if any, on the audit fee with you.
- ▶ The proposed fee is **inclusive** of our standard 7% technology and administrative fee, which is designed to cover the costs of non-professional administrative staff, costs of technology including data storage and file retention; and
- ▶ We will continue to plan for this to be a hybrid audit with a one day on-site visit for fieldwork and in-person discussions with staff. You will not be charged travel costs unless additional onsite time is specifically requested by Town management (and costs are pre-approved).
- ▶ We do not anticipate out-of-pocket expenses other than those incurred from your other service providers, such as bank confirmation fees.

Billing

We will bill on a schedule that is agreeable to the Town. Interest will be charged on all accounts outstanding.

Investment in our Relationship

As we are dedicated to building a relationship with the Town and believe we are the best fit to serve you, we have provided the following as an investment in our relationship:

- ▶ Our fees include regular check-in meetings throughout the year to discuss the audit or other matters important to you.
- ▶ Lauren will attend Council and Audit Committee meetings in accordance with Section 43 and 44 of the Municipal Government Act. If the preference is that Lauren attend in person, this can be accommodated at no extra cost to the Town.

2026 Staff Rates

The below table discloses our assurance charge-out rates for fiscal 2026, which our proposed fees have been based on.

Level	Rate
Partner	\$450
Senior Manager	\$330
Manager	\$250
Senior Accountant	\$150
Audit staff	\$100



Cost overruns and additional services

We recognize the importance of transparency and predictability in audit fees. Our quoted fees represent our best estimate of the effort required to complete the audit under the current scope, accounting frameworks, systems, and control environment.

We do not charge for ad-hoc advice and support provided in the course of our work with you. However, circumstances beyond the ordinary course of the engagement may necessitate additional work.

Situations that May Trigger Cost Overruns

Cost overruns may arise if:

- ▶ **Timeline overruns** - delays in the availability of financial records, schedules or supporting documentation that require additional audit hours to meet audit deadlines
- ▶ **Adoption of new accounting standards** - implementation of new Public Sector Accounting Standards (PSAS) that require additional audit testing, technical review, or consultation.
- ▶ **New transactions requiring new accounting policies or significant estimates** - introduction of complex or non-routine transactions (e.g., contaminated site liabilities, asset retirement obligations, public-private partnerships, and restructuring transactions) requiring additional audit procedures.
- ▶ **Changes in IT systems, processes or controls** - Implementation or modification of financial systems, reporting processes or internal controls that require additional walkthroughs and testing.
- ▶ **Incidents of fraud and/or cybersecurity breaches** - discovery of suspected, actual or alleged fraud, or IT/cybersecurity events requiring expanded procedures to address risks of material misstatement.

Communication and Approval Process

If any of these issues arise, BDO will immediately notify the CAO as the matter is incurred and we will provide them with:

- ▶ A description of the issue;
- ▶ The anticipated impact audit scope and procedures;
- ▶ An estimate of the incremental hours required, broken down by staff level and applicable hourly rates, as disclosed on page 33.

We will not proceed with additional work outside the agreed scope without prior consultation and agreement with the CAO.

Services Outside the Audit Scope

From time to time, the Town may request professional services that are outside the scope of the annual financial statement audit. Examples include, but are not limited to:

- ▶ Advisory work related to governance, risk management or internal controls;
- ▶ Advisory services in areas such as IT, Generative AI, or cybersecurity;
- ▶ Indirect tax reviews; and
- ▶ Forensic procedures, investigations or special reviews

Any services that fall outside the defined audit scope will require a separate engagement letter, in accordance with professional standards. The separate engagement letter will clearly set out the scope of work, responsibilities, deliverables and associated fees.

This approach ensures:

- ▶ Clear delineation between audit and non-audit services;
- ▶ Transparency in scope and costs; and
- ▶ Compliance with independence and professional requirements under the CPA Canada Handbook.





Value-Added Service



Value-Added Services

Complimentary offerings for the public sector

Complimentary governance training

As part of our commitment to strengthening public sector governance, BDO provides complimentary governance training to our audit clients. These sessions are tailored to municipal councils and boards to help members better understand their oversight responsibilities, including their role in relation to the external audit process, risk management, and financial stewardship.

We also provide practical financial literacy training designed to enhance confidence in reviewing financial statements and engaging in informed discussions with management and auditors. This value-added service ensures that council members are equipped with the tools and knowledge needed to effectively fulfill their fiduciary duties and contribute to sound financial governance.

No additional charge for routine questions

At BDO, we pride ourselves on our client facing, hands-on approach. Our client service approach enables us to provide our clients with on-going availability and quick response to discuss complex accounting, tax and reporting issues. We encourage our clients to reach out to us as many times as they require, and we do not charge for phone calls that do not require further research.

Industry and technical publications

We will provide technical updates on the accounting changes that affect your organization, including:

- ▶ “2025 Municipal Tax Rebates - Repairs, renovations and demolitions”
- ▶ “Forecasting the upcoming budget: What can you expect?”
- ▶ [Audit Quality Report 2025](#) - *Quality is a continuous journey - one that prioritizes progress, innovation, and a commitment to excellence.*

Audit Quality Report 2024-2025

Quality. A journey over time.

[Read the full report](#)

Access to specialized events

When significant events (i.e. Information systems, indirect tax) affect an industry or a group of clients, we sponsor courses and seminars either in association with industry organizations or directly for clients. These are offered across the country.

Details can be found online at: www.bdo.ca/en-ca/events/ should you be interested in joining any of our future sessions.

PSAS update

As the Public Sector Accounting Board is reviewing and rendering specific updates to the various standards in the near future, we will ensure to inform your organization of any amendments that could affect your organization.

We held our PSAS 2024 update webinar in November 2024. To read the on-demand report, please access through [here](#). Our 2025 update will be available during the fall of 2025.

Additional webinars and training

BDO is a leading provider of professional services to virtually all businesses of various sizes and stages of growth. Additional events and training that may be relevant to the Town include:

- **Cybersecurity:** We share a variety of webinars, training and thought leadership to keep our clients aware of cyber risks, including: [Modernizing cybersecurity to stay ahead of emerging threats](#) | BDO Canada
- **Professional Development & CPD:** BDO provides Continuing Professional Development (CPD) certificates for events and webinars identified as eligible for CPD. Get access to on-demand webinars and register for upcoming sessions here: [Events and webinars](#) | BDO Canada



**Appendix - Additional
Firm Information**

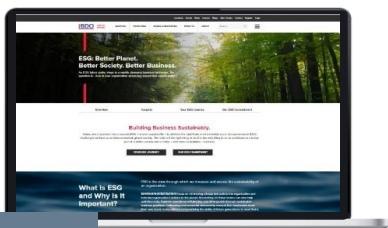


Driving Impact with ESG programs

Every industry and organization has different driving forces behind the development of ESG Programs. Organizations must align with industry drivers, understand stakeholder desires and most importantly determine their own ESG values to pursue impactful ESG outcomes.

Environmental	Social	Governance	Benefits of ESG programs
<ul style="list-style-type: none"> • Climate strategy • Environmental management • Environmental impact of the product portfolio • Eco-efficiency: CO2, water waste, energy • Energy management • Water risks and impact • Equal opportunities 	<ul style="list-style-type: none"> • Freedom of association • Health and safety • Human rights • Product responsibility • Social impact of the product portfolio • Gender and diversity • Supply chain management • Business ethics 	<ul style="list-style-type: none"> • Compliance • Structure & oversight • Board independence • Compensation • Shareholder structure • Equity, Diversity & Inclusion • Whistle-blower schemes • Lobbying • Taxes 	<ul style="list-style-type: none"> • Cost Reduction • Asset Optimization • Talent Acquisition • Employee Retention • Investment Opportunities • Brand & Reputation Uplift • Alignment with leading industry peers

As ESG takes center stage in a rapidly changing business landscape, the question is - how is your organization advancing toward true sustainability?



[Click here for an overview of our Sustainability Services](#)

The foundational elements of an effective ESG program:

While every organization’s ESG program goals and ambitions are unique (and they should be), there are four foundational program elements that, when established correctly, lead to ESG program success. BDO can address each of these steps in any order and at any point in your ESG journey to fill the unique gaps presented.

- ▶ Governance | Establishing an effective discipline to enable ESG program success
- ▶ Strategy | Articulating success and empowering action to achieve ESG ambitions
- ▶ Risk Management | Managing risk in the pursuit of ESG success
- ▶ Targets & measurement | Forming commitment, measuring success & communicating outcomes

BDO’s Sustainability services combine ESG leading practices with deeply rooted industry knowledge to create impactful ESG programs specifically tailored for our clients’ ambitions. The solution set of sustainability services is modular designed, characterized by a configurable service approach to specifically support your ESG program needs. We understand that every organization has slightly different strengths in the pursuit of ESG objectives.

Full range of services

BDO is a leading provider of professional services to organizations of various sizes and at different stages of growth. Our team delivers a vast number of assurance, accounting, tax, and advisory services with deep industry knowledge and exceptional client service. As part of the international BDO network, we provide seamless and consistent cross-border services to clients with global needs.

Assurance and Accounting

- Accounting Advisory Services
- Business Transition Services
- CFO Services
- Cloud Accounting Services
- Corporate Payroll Services
- Financial Reporting
- Public Company Services
- Sustainability Services
- Third Party Assurance

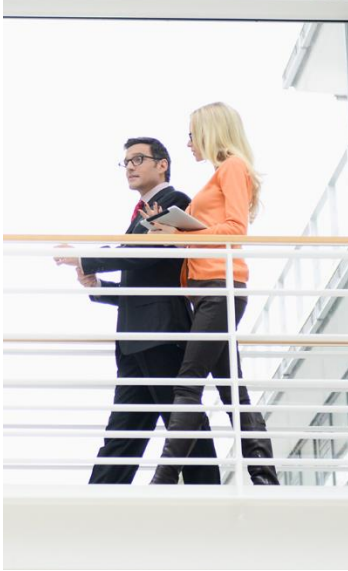


Tax

- Canadian Tax
- Expatriate Tax
- Immigration Services
- Indirect Tax
- International Tax
- Legal Services
- Private Wealth
- SR&ED & Government Incentives
- Tax Controversy and Dispute Resolution
- Transaction Tax
- Transfer Pricing
- U.S. Tax

Advisory

- Business Restructuring & Turnaround Services
- Commercial Insurance Loss Accounting
- Cybersecurity
- Digital Advisory
- Financial Risk Management
- Forensic Disputes & Investigations
- Indigenous Consulting
- Litigation Support
- M&A and Capital Markets
- Operations
- People & Change
- Personal Injury Loss Accounting
- Procurement
- Risk Advisory
- Strategy
- Sustainability Services
- Technology
- Valuations & Modelling
- Value Creation
- Wealth Advisory





Declaration



Declaration

We hereby acknowledge and declare that:

- a) We agree to perform the Work in compliance with the requirements set out in RFQ 25-001 (Financial Audit Services) issued by the Town of Middleton, and in accordance with the details provided in our submission.
- b) No person, firm, or corporation other than the undersigned has any interest in this RFQ or in the proposed contract for which this RFQ is made.
- c) We acknowledge and confirm that the Town of Middleton has the right to accept any RFQ submission or to reject any or all RFQ submissions in accordance with the RFQ.

Signed, sealed, and submitted for and on behalf of:


Company: BDO Canada LLP

Address: 6940 Mumford Road, Suite 510, Halifax, NS, B3L 0B7

Signature: Lauren Vail

Name & Title: Lauren Vail, CPA, CA, Partner

Date: September 26, 2025



The proposal contained in this document is made by BDO Canada LLP and is in all respects subject to the negotiation, agreement and signing of a specific contract. It contains information that is commercially sensitive to BDO Canada LLP, which is being disclosed to you in confidence and is not to be disclosed to any third party without the written consent of BDO Canada LLP. Client names and statistics quoted in this proposal include clients of BDO Canada LLP and clients of the international network of independent firms.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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www.bdo.ca



Proposal for financial audit services

Town of Middleton

RFQ 25-001

September 26, 2025

Submitted by:
Doane Grant Thornton LLP

Jessica Clahane, CPA, CA
Partner, Assurance Services
T +1 902 690 2011
E Jessica.Clahane@doane.gt.ca

15 Webster St
Kentville, NS B4N 1H4

September 26, 2025

Ashley Crocker, CAO
Town of Middleton
131 Commercial Street
PO Box 340
Middleton, NS B0S 1P0

Doane Grant Thornton LLP

15 Webster St
Kentville, NS B4N 1H4
T +1 902 678 7307
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W doanegrantthornton.ca

RE: Proposal for financial audit services

Dear Ms. Crocker,

We are submitting this proposal on behalf of Doane Grant Thornton LLP (Doane Grant Thornton) to provide financial audit services to the Town of Middleton (the Town). We believe we are well-positioned to be your advisor of choice by delivering competitively-priced quality work and exceptional client experience, ultimately providing you with the attention your organization and community deserve.

We will be your trusted advisors. We believe that our ability to deliver great client service begins with cultivating meaningful relationships with management. These relationships ensure trust is built between the advisor and the organization, which allows us to develop a comprehensive understanding of where we can best add value. In this rapidly changing environment, transparency in setting expectations and meeting needs is key. We pride ourselves on being proactive and collaborative in everything we do to provide management with peace of mind to know that we deliver on our promises.

We understand your operation. Our engagement team has experience working alongside public sector clients across Nova Scotia and has cultivated a deep understanding of the unique challenges facing the Town today. At Doane Grant Thornton, we truly are one team, and we'll leverage our combined expertise to make sure you receive a seamless experience and the most efficient and cost-effective audit possible.

Location, close and accessible. Engaging Doane Grant Thornton means working with a responsive, local team of experienced advisors, bringing continuity and existing knowledge to your audit. We are Atlantic Canada's largest accounting and business advisory firm, and we have the resources and reach you need so you can continue to drive real change in your community.

Doane Grant Thornton is committed to helping you reach your objectives by delivering efficient, quality-driven, cost-effective services, focused on moving the Town in the direction you envision. I will be your point of contact regarding this engagement and can be reached at +1 902 690 2011 or Jessica.Clahane@doane.gt.ca. We look forward to working with you.

Yours sincerely,

Doane Grant Thornton LLP



Jessica Clahane, CPA, CA
Partner, Assurance Services

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Organizational structure/background

Trust is the key determinant of our relationship. Maintaining trust is based on Doane Grant Thornton delivering on our promises and proving our commitment to you.

Grant Thornton LLP Canada is now Doane Grant Thornton LLP. By reintroducing H.R. Doane – the Firm’s founding partner – to our name, we honour our Canadian roots and the values that have driven our success for more than 85 years. Our new name is the next chapter of our Canadian story reflecting our growth and vision, empowering us to make strong contributions to the businesses we support and the communities where we live and work. Our identity represents who we are today with our values and purpose firmly in place. We are committed to developing and maintaining meaningful relationships built on trust, loyalty, and exceptional service.

We are the Canadian member firm of Grant Thornton International Ltd. (GTIL), one of the world’s leading organizations with 76,000 colleagues providing audit, tax, and advisory services to 150 markets around the world. We have provided a complete list of our service offerings in [Appendix A](#) and our firm’s organizational chart in [Appendix B](#).

Doane Grant Thornton is a registered municipal auditor in accordance with the provisions of Section 457 of the *Municipal Government Act*. Proof of our firm’s Registered Municipal Auditors status can be found in [Appendix C](#). All of our engagement team members are designated Chartered Professional Accountants and we as a firm are authorized to provide financial statement audit services in the province of Nova Scotia.

		
3,000+	147	249
People across Canada	Offices	Partners

Local roots

Although we are part of a global organization, we started here in Nova Scotia as HR Doane and Company and now have over 80 years of history in our region. With more than 300 professional staff based throughout the region who work together under a similar administrative structure, we are the largest professional services firm in Nova Scotia.

Our professionals are your volunteers, donors, and advocates. They have the resources, reach, and passion you need to drive real change within your organization so you can continue to drive real change in your community.

Like the Town, we are committed to supporting Nova Scotians. Your audit will be completed by a specially selected team of professionals operating out of our Kentville office, which is just one of our nine Nova Scotia offices that you’ll have at your disposal, should they be needed.

The depth of our resources will give you access to the largest group of local specialized support, while the close proximity of our resources – we’re always accessible to your team and are able to attend meetings and discuss the progress of your audit face-to-face.



Best Workplaces in Canada 2008-2025	Best Workplaces with Most Trusted Executive Teams 2023-2025	Best Workplaces for Inclusion, 2024-2025	Best Workplaces in Professional Services, 2018-2025
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Project team and qualifications

You don't have to train us; Doane Grant Thornton hits the ground running, so you can focus on your core business objectives.

We want to work alongside the Town and aim to be seen as your trusted service provider and partner. You have access to the right resources, with the right knowledge, at the right time to help you deliver on your assurance needs and offer solutions relevant to your operations. **Jessica Clahane**, Partner, will be your direct contact and is supported by an experienced, capable engagement team. We are also able to tap into our other service lines should a new need be identified for the Town. We are confident the team we have proposed for the Town will deliver the insights and foresight you require.

Benefits of working with our team:

- **Collaborative planning.** It is important to have discussions with management at the planning stage of the audit to identify key areas and potential issues
- **Ongoing communication.** It is important to keep management informed about our progress and any significant findings to date. During our audit, we'll be in constant contact with your team. This means you'll know what's happening, and we'll be able to act and make decisions based on "real-time" information, versus a snapshot of earlier discussions
- **We welcome your questions.** We want to build the relationship, providing prompt replies to your calls. We recommend scheduling regular updates with your management to verify that we are up to speed on issues you are facing
- **Senior involvement.** One distinguishing feature about our approach is the active involvement of senior members of the team in all phases of the services. As a result, all staff members receive training and orientation prior to beginning any fieldwork. They will also actively supervise and review staff to verify maximum efficiency and professionalism while minimizing disruptions to the Town's staff.

Sufficient staffing

To sufficiently staff the engagement, we draw from our top talent across Nova Scotia and Canada, led by local leadership here in Kentville. To normalize staffing peaks, we perform audit procedures throughout the year to reduce the volume of testing at year end. For large or unusual transactions, we supplement the audit team while also drawing senior resources with experience in your industry.

Continuity

Continuity relies on each team member's desire to work with organizations like the Town, and their personal fulfilment at Doane Grant Thornton. As an award-winning employer of choice, we attract and retain our industry's top talent; this helps reduce the risk of staff turnover. We commit to providing reasonable continuity within our control; however, if a change is required, we can quickly provide qualified resources from our public sector and assurance practice.

Availability of resources

All resources listed in this proposal are employed by our firm, and our project team members are stable given that Doane Grant Thornton is award-winning employer-of-choice, both in Canada and globally.

Team members are currently available to execute the described work plan with the ability to mobilize and demobilize depending on project requirements. The team is flexible and will allocate additional time as needed to complete this project within the defined timeframe.

To mitigate the risk of long-term absences of any engagement team members, the firm has access to qualified members of the Doane Grant Thornton team from other offices across Nova Scotia and Canada. These individuals can be consulted to provide subject matter expertise and support, as required. We encourage a collaborative working relationship with the Town. Jessica is available to you for calls or emails and will be responsive to them.



Jessica Clahane

CPA, CA
Partner, Assurance Services
Role: Engagement Lead

Jessica is a partner in our Kentville office with over 16 years of experience providing assurance services to clients in various industries including the public sector, not-for-profit organizations, and a variety of privately-held businesses.

As the partner for your audit engagement, Jessica will lead the team in performing a successful audit, acting as the main technical resource for the audit team. She will provide guidance to the audit services team, assisting in the planning of the audit, assessment of risk, and compliance with financial reporting guidelines. She will also be a resource for your senior team, helping to address any questions relating to legislation and regulation.

Jessica is also an active member of Doane Grant Thornton's Nova Scotia public sector team, which allows her to share her insights with her peers and collaborate with others on municipal initiatives throughout Nova Scotia.

Jessica has been actively involved in the assessment, planning, and implementation of a number of public sector audit engagements. Her breadth of experience gives her insights into the processes, decision making tools and challenges faced by local municipalities and other public sector entities.

Professional qualifications and education

- Chartered Professional Accountant, Nova Scotia
- Member of Chartered Professional Accountants of Canada
- Member of Chartered Professional Accountants of Nova Scotia
- Member of Chartered Professional Accountants of New Brunswick

Community involvement

- Director, Valley Regional Business Network
- Member of Rotary Club of Kentville
- Past President, Annapolis Valley Chamber of Commerce
- Director, Windsor Elms Village

Contact details

T: +1 902 690 2011

E: Jessica.Clahane@doane.gt.ca



Victoria Ells

CPA
Senior Manager, Assurance Services
Role: Senior Manager

As the senior manager on your audit, Victoria will play a leadership role in the planning and completion of audit fieldwork. In this role, she will provide regular updates to your team and if any significant issues need to be addressed. Victoria will work with senior team members to resolve outstanding issues to your satisfaction.

Victoria is a senior manager working out of our Kentville office with nine years of experience providing assurance services. She has completed audit engagements for governments, including municipalities and towns, as well as not-for-profit organizations.

Victoria has specific year-end assurance experience with public sector clients, including, but not limited to, the Municipality of the County of Kings, the Town of Wolfville, the Town of Bridgewater, and the Public Service Commission of Bridgewater, Valley Community Fibre Network, and Annapolis Valley Regional Library.

Professional qualifications and education

- Chartered Professional Accountant, Nova Scotia
- Bachelor of Business Administration, Acadia University
- Member of Chartered Professional Accountants of Canada
- Member of Chartered Professional Accountants of Nova Scotia

Community involvement

- Director, Annapolis Valley MADD

Contact details

T: +1 902 690 2038

E: Victoria.Ells@doane.gt.ca



Lianna Lockhart

CPA
Manager, Assurance Services
Role: Manager

Lianna is a manager in our assurance practice based out of our Kentville office. She has been with Doane Grant Thornton since 2018 and specializes in planning, executing, and leading audit engagements with junior staff.

Lianna has worked in a variety of standard and complex audit engagements for numerous publicly accountable entities (focusing on municipal and regional entities and first nations) and mid-to-large privately-held businesses. Her experience provides a solid understanding of her clients' businesses and financial reporting processes. She has excellent project management and communication skills, which she leverages to make sure her work is completed on time and on budget.

Lianna will act as the audit manager for the audit. She will work collaboratively with Victoria to obtain and review audit deliverables and verify communication is open and timely during fieldwork. She will also manage the engagement team to make sure all stages of the audit are completed in an efficient manner, reviewing and preparing the management letter for the Town. Her experience and technical knowledge will be an asset to you.

Select public sector and related experience

- Municipality of the County of Kings
- Village of Port Willams
- Town of Wolfville
- Bear River First Nation
- Annapolis Valley Regional Library
- Valley Community Fibre Network

Professional qualifications and education

- Chartered Professional Accountant, CPA Atlantic School of Business
- Bachelor of Business Administration, Acadia University

Community involvement

- Treasurer - Community Inclusion Society

Contact details

T: +1 902 690 2034

E: Lianna.Lockhart@doane.gt.ca

Previous relevant experience

We know the public sector

You want advisors that are familiar with the Town and similar entities who bring value added advice, and who will guide you through the process. On an ongoing basis, you need to be prepared for emerging trends and to address inherent sector challenges in the best possible way. You want to be “in the know” about current sector trends and developments and learn from others, like you, who are achieving success.

Your Doane Grant Thornton team has worked with a variety of municipal and public sector entities and will bring this expertise to you. Our experience with public sector clients in Nova Scotia and across Canada provides us with an extensive understanding of the applicable issues and enables us to fully appreciate how they impact municipal service delivery.

Our experience, competence, and reliability in handling projects for specific public sector clients is evidenced in our list of relevant engagements on the following page. You’ll see that we have also developed close working relationships with numerous similar municipalities in Nova Scotia.

We pay close attention to the unique vision and corresponding values of each municipal client, working closely with key stakeholders to catalyse improvement and innovation across the board.

We know your accounting standards

Public sector accounting standards (PSAS)

As a public sector entity, there are unique factors about your audit that our team takes into account, especially as they pertain to risks and controls. The planning surrounding these areas are minimal, due to our depth of experience in the public sector, and it would not disrupt your team. You can feel confident that you have qualified and experienced PSAS resources on your audit team. Our professionals are required to take PSAS courses through our national learning and development team. These courses are complimented by courses hosted externally by CPA Nova Scotia and help us stay abreast of changing legislative requirements or standards. Members of your proposed audit team all have significant PSAS experience, and they have a combined client base that includes municipalities, towns, villages, school boards, and First Nation communities.

As municipal units continue to develop innovative solutions and provide new services to their taxpayers, such growth can come with both opportunities and concerns. When these arise, we can access specialists in our national professional practice group to assist us in assessing these matters and interpretation of the PSAS standards. Doane Grant Thornton also has internally developed software which contains a tailored audit approach for clients who prepare financial statements under PSAS.

Generally accepted accounting principles (GAAP)/Canadian auditing standards

Our audit team have recently completed comprehensive audit training as a result of our transition to LEAP, our current audit methodology. This training included attending International Audit Standards (IAS) Proficiency series of training. ISA form the basis for our current Canadian Auditing Standards (formerly referred to as GAAP). Therefore, in addition to our regularly scheduled national audit standards updates, the team has attended refreshers on the significant standards that form the basis of our audits.

Nova Scotia financial reporting accounting manual (FRAM)

As the auditor for a number of municipalities in the province of Nova Scotia, our PSAS team is highly familiar with the requirements of the FRAM and its impact on the audit of the consolidated financial statements. Although the statements upon which we provide an audit opinion are presented in accordance with PSAS and not specifically FRAM, there is significant cross-over and alignment in the requirements such that efficiencies are gained when information is presented consistently across all reporting requirements as much as possible. We are conscientious of this when working with management on the adoption of new standards as well as the presentation and disclosure of any new significant transactions or events in the consolidated financial statements.

Relevant public sector clients

The team we've suggested for your audit all have significant audit experience, and they have a combined client base that includes municipalities, towns, villages, and government business enterprises. Below you will find a sample of our provincial and other government entity audit clients.

Municipality of the County of Annapolis	Town of Berwick
Municipality of the County of Colchester	Town of Bridgewater
Municipality of the County of Inverness	Town of Digby
Municipality of the County of Kings	Town of Port Hawkesbury
Municipality of the County of Richmond	Town of Stellarton
Municipality of the County of Victoria	Town of Trenton
Municipality of the District of Argyle	Town of Truro
Municipality of the District of Barrington	Town of Westville
Municipality of the District of Chester	Town of Wolfville
Municipality of the District of Digby	Town of Yarmouth
Municipality of the District of Guysborough	Village of Bible Hill
Municipality of the District of Shelburne	Village of Freeport
Municipality of Yarmouth	Village of Port Williams

Value-added services

In addition to your core engagement requirements, we recognize that there are other ways in which we can indirectly contribute to your success. You need to be prepared for emerging changes, be able to take advantage of your opportunities, and address your inherent challenges – we have the capability to provide you with special tax and advisory services that can help strengthen, educate, and support the Town today and into the future. To help you achieve these outcomes, we deliver:

Auxiliary services for public sector clients

In addition to external audit services, our firm provides a variety of services unique to government organizations. These services include:

- Review of internal control procedures and best practices in your finance department
- Review of internal control procedures in payroll department
- Sales tax reviews
- Value-for-money examinations relating to planning, budgeting, and reporting systems and practices
- Assistance in the development of personnel policies and performance evaluation criteria
- Assistance in the assessment and implementation of computerized information systems
- Forensic auditing investigation relating to fraudulent activities
- Operational reviews of entities taken over or divested by a municipality or public sector organization
- Review of outsourcing of water and sewer/electricity meter reading and billing
- Comprehensive reviews relating to the safeguarding and utilization of municipal assets and resources
- Strategic planning
- Services relating to rate studies and regulation of utilities

Harmonized sales tax (HST)

Doane Grant Thornton has had a dedicated and specialized HST team for over 19 years. With the largest full-time HST team in Atlantic Canada, we have an extensive level of local expertise. Our HST consultants have extensive sales tax experience assisting public sector entities with complex sales tax rules and regulations.

Internal controls consulting

With a team of over 90 professionals nationwide, we can assist you with assessing and elevating your internal controls. We have a highly efficient process that we use on hundreds of clients annually to evaluate the effectiveness of their controls. Based on the standard under which engagements are executed, we can develop and document an independent controls review.

Reputational risk management

Doane Grant Thornton helps entities like yours every day to identify and manage risk, including reputational impacts. We work side by side with management, and the Town, to explore the potential consequences to your reputation in a rapidly-changing online world, and can assist you with more preventive measures, such as the implementation of our whistle-blower hotline service, or the development of a crisis management plan. Our team wants to see our clients succeed, and part of getting you where you want to go is ensuring that nothing gets in your way.

Environmental, social, and governance (ESG)

ESG is front and centre for investors, executives, audit committees, and boards as they begin to expect greater transparency from organizations on ESG and sustainability performance. The increased demand for transparency makes for a confusing landscape as many entities try to understand how ESG fits into their business plans and reporting. This shift is changing how businesses define and measure value by challenging the boundaries between purpose and profit.

Doane Grant Thornton's ESG offerings support businesses in understanding the ESG landscape, risk mitigation, and proactive business model transformation. We help you navigate the complex ESG domain including strategy development, risk assessment, quantifying your current impact, and driving performance to the next level.

Cybersecurity

As organizations become increasingly dependent on digital technology, the opportunities for cyber criminals continue to grow. The explosion of data generated by digital technology, combined with a new degree of connectedness among public entities, means that there is ripe opportunity for the technologically savvy and criminally minded taking advantage of potential gaps in security.

Regulators and stakeholders are increasing the pressure on these entities to manage their risks, and cybersecurity is now on top of the boardroom agenda. Further, as geographical borders are becoming more meaningless, cyber attacks are now more focused, skillful, and ambitious. It is now more important than ever for organizations to take advantage of the opportunities for increased cybersecurity available to them so that they can decrease the risk and consequences of digital susceptibility.

We've created a strategic alliance with VARS Corporation, a cybersecurity organization wholly owned by Raymond Chabot Grant Thornton (RCGT), whose multidisciplinary professionals offer clients innovative and practical solutions to their cybersecurity needs. The Town can benefit from cutting edge information security expertise that will help safeguard your most sensitive data and strengthen your cybersecurity posture.

Human capital consulting

While you may know us as a traditional accounting firm, we have grown to become much more — within our business consulting practice, we have a long history offering a variety of human capital services to entities like yours. We know that today's leaders face significant challenges in workforce management, and we have identified that the biggest human capital challenges going into the future include recruitment of talent, retention, employee engagement, leadership development, and creating an attractive company culture.

We also know that diversity is becoming an increasingly strategic part of business and talent management, coupled with the complexities that come with multi-generational workforces who are motivated by flexibility amongst other work practices. Organizations need to look at creative solutions to understand how they can engage and retain their employees, and having access to high-quality professional advice from a firm like Doane Grant Thornton is vital in fostering a productive and committed work environment for your employees.

Audit strategy

Doane Grant Thornton has provided services to many organizations like the Town, allowing us to gain a deep understanding of the complex and evolving environment you are currently operating in. As discussed below, our understanding of the current and future environment will be used to develop an impactful and value-added audit. Your audit must be efficient and effective, and the right approach should also give you value for money. To make sure you receive an impactful audit, we will deliver:

A risk-based methodology. Substantiated by 32,000 Grant Thornton auditors worldwide, we apply our global methodology, which includes an integrated set of proprietary software tools, to your audit.

An approach customized to you. Our methodology provides the framework, but we have further customized the framework for co-operatives based on our experience. It is then specifically tailored to you, reflecting the best practices we have learned from our other similar clients across the country.

Ongoing communication. During the audit and throughout the year, we will be proactive in thinking about your audit. We will keep your team (including those charged with governance) informed about our audit and any significant findings – this is essential to building a trusting relationship.

A holistic viewpoint. Our team includes sector specialists in assurance, tax, and advisory. This enables us to think more expansively about the Town and offer suggestions for process improvement.

Planning

- Develop our understanding of the Town’s operations, internal controls and information systems
- Plan audit timetable together

Assessing risk

- Use knowledge gained from planning to assess financial reporting risks
- Customize our audit approach to focus efforts on key areas

Evaluating internal controls

- Evaluate design of controls over financial reporting risks
- Test controls to identify where audit could be more effective or efficient
- Recommend opportunities to improve controls

Testing

- Perform test of balances and transactions
- Use technology and tools, including data interrogation and analytic tools, to enhance effectiveness and efficiency

Concluding and reporting

- Conclude on sufficiency and appropriateness of testing
- Finalize report and provide the client with our observations and recommendations

Detailed approach

1. Planning

Planning is the first and most important phase and critical to a successful audit. Understanding the Town's operations and future growth strategies enables us to develop a truly optimized audit plan. The first step is an initial planning meeting with key members of your team, with the following objectives:

- Identify roles and responsibilities of the Town and Doane Grant Thornton teams
- Discuss general business including performance against KPIs, changes in structure, areas of concern, likely audit and accounting issues, prior-year issues and management letters
- Agree on timing for key audit fieldwork visits
- Agree on protocol for communications
- Agree on deadlines for deliverables
- Arrange other important meetings (e.g., key process owners, IT specialists)
- Provide an update on recent and upcoming technical accounting standards
- Discuss the use of management and/or auditor experts

2. Assessing risk

Before any detailed procedures are performed, we evaluate your operating environment and internal controls structure to assess financial reporting risks. We review the financial reporting implications arising from your strategic goals and business plans. We also consider factors such as:

- Sector and industry trends
- The Town's financial condition
- Legal and regulatory environment
- IT systems that support financial reporting
- Emphasis placed by management on a positive control environment
- Related-party transactions
- Overall design of the entity and financial reporting controls

3. Evaluating internal controls

Professional standards require us to obtain an understanding of the Town and its environment, including its internal controls. We begin this process by evaluating controls at the entity level that relate to financial reporting.

This assessment includes aspects of your control environment, risk assessment, monitoring, information systems (including IT), and financial reporting processes. We also obtain an understanding of controls over financial reporting activities such as the recording and processing of transactions.

We use this understanding to:

- Identify the types of misstatements that could occur
- Evaluate the internal control deficiencies that may increase the risk of material misstatement
- Design internal control testing strategies, where such an approach would be appropriate

Based on this evaluation, we identify areas where our audit could be more effective or efficient by taking an approach that includes testing the controls.

4. Testing accounts and transactions

Our approach includes interim and year-end testing. We request your input on these risks and any other areas of concern that management identify.

Based on our knowledge of the Town and our experience with similar organizations, we expect to perform a combination of substantive tests of details and analytical procedures, such as:

- Confirmation of balances or transactions
- Testing high-value, unusual and other key items and items selected through sampling routines
- Recalculation, inspection, and observation procedures
- Analytical procedures, including data analytics, trend, ratio, and reasonableness tests

5. Concluding and reporting

At the conclusion of our engagement, we organize a closing meeting with management to discuss:

- Significant findings from the audit
- Our observations on the quality and acceptability of the accounting principles
- Updates on regulatory matters, accounting, and auditing standards
- Practical comments on how you can enhance your internal controls process by evaluating controls at the entity level that relate to financial reporting

Audit scope, materiality, and consideration of critical levels of errors

The purpose of our audit is to provide an opinion as to whether the financial statements are prepared, in all material respects, in accordance with Canadian PSAS. Therefore, materiality is a critical auditing concept and as such we apply it in all stages of the engagement. The concept of materiality recognizes that an auditor cannot verify every balance, transaction or judgment made in the financial reporting process. During audit planning, we will make a preliminary assessment of materiality for the purpose of developing our audit strategy, including the determination of the scope of our audit procedures (type of procedure and number of samples). During the completion stage, we consider not only the quantitative assessment of materiality, but also qualitative factors, in assessing the impact on the financial statements, our audit opinion, and the matters brought to your attention.

Planning materiality is determined by applying a percentage to a chosen benchmark. Examples of benchmarks are total revenues or total assets. The audit team establishes an appropriate materiality by assessing the positive and negative implications of factors on aggregation risk, such as experience in prior audits (number, size, and nature of auditor-identified misstatements) or experience of audits in similar-sized municipal units.

We also factor in the audit team's knowledge of the Town and its environment, including areas that increase or decrease the number, size, or nature of potential misstatements, such as:

- Operational activities or changes in operational activities
- Accounting system or changes in the accounting system (i.e., accounting staff, processes, and technology used)
- Strengths, weakness, and changes in internal control
- Fraud risk factors

During the execution phase of the audit, differences (including missing disclosures) are accumulated and at the completion phase of the audit this schedule assists the audit team in determining whether misstatements are immaterial, either individually or in the aggregate. The audit team determines an amount that would be clearly trivial (below

5% of materiality) to the financial statements and differences smaller than this amount are not included on the summary of unrecorded misstatements. This amount should be such that small audit differences, either individually or in their aggregate, could not cause a material misstatement from both a quantitative and qualitative perspective. While some amounts clearly may not be material from a quantitative perspective, the qualitative aspects of materiality cannot be evaluated unless the differences are captured.

Auditing standards require the auditor to communicate to Town the non-trivial uncorrected misstatements, individually or in aggregate, and to consider root causes, potential internal control deficiencies, and errors that may cause future financial statement errors to be materially misstated. Audit standards also require the auditor to request that uncorrected misstatements above clearly trivial be corrected in the accounts and, if not corrected, to document rationale for not correcting.

Our approach to identifying and responding to critical issues

During your audit, our team will make sure there are frequent updates with management, including progress updates. In addition, as we encounter critical audit issues, as identified through discussions with management or through our audit testing, that are pertinent or could have an impact on the audit we will communicate with members of management to resolve the issues. As previously noted under materiality, we will recommend all errors above a trivial amount be adjusted in the accounts of the Town. In addition, in the communication of audit results to The Town we include documentation of critical issues, audit adjustments and disclosure issues as well as those items which have not been adjusted by management to provide a full understanding of the audit results.

Assistance requested from the Town

To meet the fees outlined in this proposal and the deadlines required by the Town, we request assistance from the Town personnel. This includes preparing certain working papers, variance analysis, financial statements, other reporting, and being available for inquiries during the audits.

To keep the Town staff members aware of what is required for the audit, we provide a client assistance list for each engagement at the time of planning, which identifies the working papers required to complete the audit. We then meet with your personnel to discuss the requirements listing and ensure our requests are reasonable, and we would modify our requests and make use of the Town-prepared schedules and analyses where possible.

Responsibility is key to our mutual success

Throughout the audit, we'll be in contact with your team. Jessica will be front and centre throughout the audit work so you will know what is happening. They will be available regularly during the audit. This will allow us and you to act and make decisions based on "real-time" events and circumstances. In advance, we will require time of management to understand existing processes and controls.

To avoid surprises:

- During audit planning, we agree on timeframes for deliverables and schedule our work accordingly. We deliver a clear outline of the information we need from you and regularly communicate when documents are required. This keeps us on schedule and helps us continue to meet timelines
- We use our customized technological tools to manage items and responses
- We meet with your team regularly to share our work status and findings to date
- Working directly with your people, we will offer advice to help them prepare for issues before they occur
- Prior to issuing our management letter and/or internal control letter to the Town Council, we provide a draft version for management's review and input

A technology-enabled approach

Leading with quality

The ability to adjust the audit program in real-time allows engagement teams to manage changes to the audit environment as they occur, keeping quality high. Through our software, we offer:

- A mainly paperless audit which includes planning, executing and reviewing documents electronically. This electronic file approach helps us deliver more extensive and proactive advice to our clients and eliminates the paper shuffling of a traditional approach

- A tailor-in approach, where the response is designed according to the identified risks of your business. This requires an increased use of professional judgment and increases accountability and responsibility of the engagement team, which provides a more engaging auditor experience and increased quality
- Industry-specific content, that means our auditors don't have to start building your audit plan from scratch. Industry guidance enables our auditors to be more efficient and makes it easier for our people to perform a quality audit

Data analytics to enhance the external audit

At Doane Grant Thornton, we live and breathe data. We've long been pioneers in advanced analytics, so we know firsthand that next-generation technology is only as good as the people who use it. The right people asking the right questions and using the right tools to help answer these questions are central to our culture, and our engagement approach.

Analytics are incorporated by our professionals at every stage of an engagement, from planning and risk assessment, to evaluation of controls and substantive testing, and concluding and reporting.

We use IDEA to analyze, compare and sample data from your financial accounting system to perform analytical procedures. This type of analysis is useful in identifying data anomalies that provide clues to potential fraudulent activity or insufficient controls. Analytical procedures also assist in identifying unusual trends in financial results. We were early to recognize the value of this software and are also actively involved in its continued development. By incorporating this approach, we have been able to spend our time focusing on high-risk transactions, and as a result we can provide deeper insights into the issues that lurk below the surface. We have found that by looking at an organization's data during planning, we can quickly gain knowledge about an organization that drives more effective resource deployment to address the most important issues that matter to you.

We have partnered with world class organizations like the University of Toronto to research analytics and artificial intelligence (AI) to continue to push the envelope of what we can do. We believe that our approach in integrating analytics will deliver an engagement that will more

efficiently and effectively identify the risks that your organization faces.

Encrypted hardware

Our staff use brand, solid state computers that are encrypted and subject to two-factor authentication. Access to your work paper file requires an additional password. Encrypted USB keys are used when secure online data transfer is not possible. In the event of stolen hardware, your data will be secure. We can also identify improper access via the web and, where appropriate, remotely wipe the computer. All our devices are standardized with screen locking to automatically trigger locking from inactivity.

AI

Data analytics and the use of AI and machine learning technology is a continuously evolving practice for us, and we are looking for ways to incorporate them into our audit process. AI and machine learning are complementary to existing techniques and work well along-side business rules and logic that you have developed or that our team can assist in developing.

From recent experience, we have the capabilities to assist the Town in the areas of risk detection and management; fraud detection and prevention; customer segmentation, retention and profitability; trend analysis; financial performance management; and resource optimization. We use a variety of AI tools to do so, including Mindbridge, Knime, R and Python, in combination with data analytics.

Success starts with effective communication

You expect to be kept in the loop, so you're not surprised later. During any engagement with the Town, our project management process is built into our methodology, constantly engaging the team. This means you will know the progress of your audit and be able to make informed decisions. Staying in control of project progress begins with clear communication and regular touchpoints, including:

- Kick-off meeting and post kick-off update to agree on timeframes for deliverables, schedule our work accordingly, and align the vision to define success
- Local team members and leaders who live and work where you are – our team is available to meet with you throughout the year, not just during the audit
- Weekly (or an agreed upon frequency), we will meet with your core team members to share our work status and findings to date

- Open and frequent communication between the assurance engagement team and other team members, including our tax and advisory team, to coordinate and stay plugged in so that we're providing coordinated service offerings for you – the benefit of using one service provider

We work as one cohesive team regardless of location. The lines of communication are always open – no matter the time of day – we work to help identify, address, and resolve issues in a timely and collaborative manner. This same approach underpins our communication with key management. With a centralized team leading the resolution of issues, those with final responsibility for recommendations coordinate between the Doane Grant Thornton team and the Town's management.

As part of our audit planning process, we meet with key management prior to the audit with a list of documents we require to complete the audit. In addition, we may need the assistance of the Town's personnel during the audit to respond to questions and assist in finding supporting audit documentation. As always, our priority is to minimize disruption as much as possible to your staff, therefore, we anticipate working with your staff to find the most efficient and effective way to obtain the information we require for the audit with the least disruption.

Communicating with management

Your engagement partner, Jessica, will oversee the team and relay any business improvement opportunities. She meets with management throughout the year to proactively discuss business plans and initiatives.

Specifically, our communication approach includes:

- Issue formal reports to the shareholders, outlining the results of our annual audit plan and audit procedures
- Discuss risk assessment matters such as fraud risk, compliance with laws and regulations, and internal controls. We extend this to other business and operational risks impacting the Town, as identified during our audit. The feedback is then used to help tailor our approach
- Meet quarterly with management on the status of our work and matters that may impact future periods. These meetings are flexible, and our agenda varies based on matters of interest to the Town

Audit timeline

Commitment to meeting timelines

You need a clear understanding of the timing and activities related to the audit to minimize disruption to your day-to-day operations. We understand the Town has provided a proposed timeline as set out in Section 4.5 of the RFQ, and we will work with you during the planning phase to clearly establish objectives, scope, and finalize timelines, so you'll know what to expect and can prepare in advance. Specifically, prior to the commencement of our services, we will meet with management to discuss and agree upon:

- The specific schedule to complete all deliverables of the audit engagement
- The audit plan
- The proposed audit fieldwork team
- The requirements listing, as explained above

Our approach will include interim and year-end testing. We would expect to perform interim testing, approximately 1-2 months ahead of year end, in the following areas:

- Walkthrough of key processes
- Revenue process review and preliminary analytics
- Legal and professional fee analysis
- Review of Town Council meeting minutes

Audit timeline

Key deliverables	Key dates/timing
• Interim audit	January, 2026
• Audit plan presented to Audit Committee, including an update on interim audit that has commenced	February, 2026
• Audit fieldwork	May/June, 2026
• Completion of draft financial statements	July, 2026
• Closing meeting with management	July, 2026
• Finalization of the report to the Audit Committee	July, 2026
• Presentation of draft financial statements and management letter to the Audit Committee	July, 2026
• Council meeting to review and approve final audited financial statements	July, 2026

References

The best spokespeople for our work are our clients. We have provided a list of clients who have utilized Doane Grant Thornton's audit services within the past five years and can speak to the contribution that we have made to their organizations. We encourage you to reach out to them.

Client name	Contact details	Engagement description
County of Kings	Mike Livingstone, CPA Director of Finance & IT T: 1 902 690 6136	Doane Grant Thornton has served as auditor to the Municipality for more than 20 years, issuing unqualified audit reports on the Municipality's consolidated financial statements and supplemental schedules for its water utility. During our tenure, we have brought our breath of services to Municipality providing a number of additional services including human resource consulting, process reviews, financial analysis for specific projects, and special reports, such as capital cost audits.
Town of Wolfville	Diana Gibson Director of Corporate Services T: 1 902 599 7450 E: dgibson@wolfville.ca	Doane Grant Thornton has provided audit services to the Town of Wolfville for 8 years, from 2012-2014 and again from 2020 until present, issuing unqualified audit reports on the Towns consolidated financial statements and supplemental schedules for its water utility. During this time we have provided general and tax advisory services, completed special reports, completed a cyber security engagement and are currently executing a human capital engagement.
Town of Bridgewater	Kim Hopkins Director of Finance T: 1 902 541 4362	Doane Grant Thornton has provided audit services to the Town of Bridgewater and the Public Service Commission of Bridgewater, the separate entity that operates the Town's water utility, for 14 years. We have issued unqualified audit reports for each of these entities separately. During this time, we have also provided general and tax advisory services, IT system review, and completed special reports.

Estimate of fees

Cost effective and efficient

Our culture is based on a client first mindset, providing responsive and in-depth service at a highly experienced level. We do not aim to minimize costs by providing lower levels of client service or less experienced staff.

We believe that our high level of client service and depth of experience provides value for money to our clients. Our fees have been set with a long-term view of a meaningful partnership with the Town.

We have put together a fair and transparent fee estimate to perform the scope of services outlined in the RFQ. Our proposed fee is largely driven by the amount of work we expect to be needed however, if after reviewing our proposed fee, you feel that we have inappropriately estimated the amount of work effort required, we welcome a discussion to fully comprehend your fee expectations.

In 2023 we proposed on audit services and were disappointed to be unsuccessful in our bid. Working with Municipal units across the Annapolis Valley and being at home in the community, we would truly value the opportunity to work with the Town of Middleton. To demonstrate our commitment, we have held our fee quote at the same amount as was quoted in our previous proposal. Additionally, we recognize that while our preference is to include an on-site component to the audit as it helps to build stronger relationships with your team, we can gain some efficiencies by working fully remotely. Therefore, we have provided quotes below for both a hybrid and a fully remote option for the audit.

We commit to the fee quotes provided below – subject to the assumptions noted, including timely receipt of information before and during the audit, unless significant changes to the scope of the audit occur (for example, significant increase in volume or changes in internal controls) or continued significant inflationary pressures (in excess of 5.0% annual inflation for the Province of Nova Scotia as published by StatsCan) that are subject to discussion with management and the Town.

2026 Hybrid fees

Staff level	Number of hours	Hourly rate (CAD)	Subtotal (CAD)
Partner	10	500	\$5,000
Manager/Senior Manager	23	330	\$7,590
Senior Accountant	60	180	\$10,800
Accountant	53	110	\$5,830
Staff support	4	70	\$280
2026 hybrid fees	150		\$29,500

Hybrid fees	2027	2028	2029	2030
Fees	\$31,500	\$33,500	\$35,500	\$37,500

2026 Fully remote

Staff level	Number of hours	Hourly rate (CAD)	Subtotal (CAD)	
Partner	10	500	\$5,000	
Manager/Senior Manager	21	330	\$6,930	
Senior Accountant	54	180	\$9,720	
Accountant	47	110	\$5,170	
Staff support	4	70	\$280	
2026 fully remote fees	136		\$27,000	

Fully remote fees	2027	2028	2029	2030
Fees	\$28,750	\$30,500	\$32,250	\$34,000

Assumptions

We are committed to providing agile solutions, and to supporting your business with assurance services where our professional expertise can be beneficial to you. We assume:

- All fees are quotes in Canadian Dollars (CAD)
- Our proposed fees and hourly rates do not include HST/GST
- The assignment is pure audit and does not involve significant accounting work
- Agreed upon working papers, together with the agreed supporting schedules for the audit, are available on commencement of the audit
- Key personnel are available during normal business hours throughout the audit to address queries and respond to additional requests for information in a timely manner
- Any additional services will be subject to an additional fee, agreed upon prior to any work being undertaken

Out-of-pocket expenses

In addition to our fees, we will bill you for expenses such as computer and technology usage, software licensing, research and library databases, photocopies, postage supplies and delivery, fax charges, printing of statements and reports, and other similar items. This administrative fee is equal to nine percent (9%) of the fees quoted above.

Billing and payment terms

Progress billings will be rendered on a regular basis as work proceeds. Payment is due within 30 days.

Policy on handling cost-overruns

Our annual audit fees contemplate the provision for audit-related advice on routine matters for no additional cost throughout the course of a fiscal period. In circumstances where there are significant non-recurring transactions arising (e.g. significant acquisitions, restructurings, changes in accounting standards, etc.) requiring substantial analysis and audit efforts, we'll communicate with management appropriately to make sure estimated fees are agreed to in advance to the extent possible

Special work or ancillary services

To the extent that significant special work or ancillary services are required, we review the scope and provide an estimate of fees for your approval prior to the commencement of work.

Acceptance of the engagement

This proposal is being submitted in advance of our completion of certain customary engagement acceptance procedures. Our acceptance of your appointment of Doane Grant Thornton as auditors is conditional upon the satisfactory completion of these procedures (including internal independence checks).

The background is a solid purple color with several overlapping, rounded rectangular shapes in varying shades of purple, creating a layered, abstract effect. The shapes are positioned in the upper and lower portions of the frame, leaving a clear space for the text in the center.

Appendix A: A to Z services

Appendix A: A-Z services

Assurance

Assurance, audit and review

- Financial statement audit
- Review engagements
- Compilations and notice to reader engagements
- Agreed-upon audit procedures
- Compliance and other attestation engagements
- Service organization reporting and internal controls audit

Accounting advisory

- IFRS, ASPE, ASNPO, PSAS, US GAAP and pension plans
- Complex accounting transaction
- Small business accounting and compliance
- Cloud accounting and bookkeeping

Risk

- Governance, risk and compliance
- Internal audit
- Certification – SOX
 - Internal Controls, planning, scoping analysis & documentation
 - Assessment of inherent risk
 - Walkthroughs and testing of existing controls
 - Evaluation of potential control gaps
 - Remediation of deficiencies
- Third party assurance

Tax

Tax planning and compliance

- Corporate reorganizations
- Asset transfers
- Amalgamations and wind-ups
- Corporate share capital restructuring
- Annual planning and compliance services for both taxable and tax exempt entities
- Tax due diligence on M&A transactions

Research and development, government incentives

- SR&ED claims
- Digital media tax credit claims
- Other government grants, loans, and incentives
- Program compliance and documentation support
- Audit defense and dispute resolution

Indirect tax

- Audit support, defense and management
- Health checks (compliance and recovery reviews)

US corporate tax

Planning

- Tax structuring of US expansion
- Permanent establishment and nexus studies
- US tax minimizing planning
- US acquisition planning and due diligence
- US capital structure planning
- FATCA advisory and implementation
- Audit defense – both IRS and state

Compliance

- Preparation of US federal and state tax returns (corporate and partnership)
- Preparation and review of US tax provisions
- Preparation of US withholding tax forms

Cross-border personal tax

- Cross-border tax planning solutions
- Global mobility services
- US personal tax compliance

International tax

Inbound

- Determine whether activities in Canada create a taxable nexus
- Structure both new and existing Canadian investments
- Establishment of exit strategies
- Management of withholding tax
- Repatriate structures from Canada
- Finance Canadian operations or acquisitions
- Navigate compliance matters

Outbound

- Taxation of foreign earnings before repatriation to Canada
- Repatriation
- Acquisitions and divestitures
- Reorganizations
- Compliance

Succession & estate planning

- Facilitation
- Business succession planning
- Trust planning (Includes safeguarding assets, reducing probate fees, and holding shares in a family-owned company)
- Domestic and cross-jurisdictional tax minimization strategies
- Will planning and review
- Post-mortem planning (Includes avoiding double taxation)
- Asset disposition & charitable gift planning

Tax reporting & advisory

- Identify tax-related risks and opportunities
- Integrate tax reporting obligations
- Optimize tax processes through automation tools
- Coordinate global tax compliance through GTI member network
- Manage compliance risks
- Develop tax-efficient business strategies

Transfer pricing

- Plan tax-efficient international business structures
- Price related party transactions, including providing support in respect of interest rates used on intercompany funding arrangements
- Implementation of pricing policies in your financial systems

- Prepare Master File/Local File contemporaneous documentation
- Navigate international tax audit disputes and Competent Authority matters with tax authorities, including seeking double taxation relief
- Post-merger integration of transfer pricing policies
- Migrate intellectual property offshore

Global mobility services

For organizations

- Tax compliance and advisory services
- Strategic assignment planning
- Cost management and budgeting
- Coordination of global compliance and advisory services
- Global compensation, pension and benefit planning

For employees

- Arrival and departure briefings and compliance
- Assistance with assessments and audits
- Tax equalization and protection reconciliation
- Knowledge of the overall impact of their assignment on their tax lives

Advisory

Transactions

Capital advisory

- Refinancing
- Acquisition financing
- Financial forecast and projections
- Financing proposals
- Navigating financial difficulty
- Complex lending deals

Mergers, acquisitions and divestitures

- Preliminary pricing analysis
- Liquidity analysis
- Management buyouts
- Identify prospective buyers or acquisition targets
- Support to prepare go-to-market materials
- Coordinate internal and external advisors
- Negotiation support, completion of all closing details
- Recapitalizations
- Financial modeling & analysis

Transaction advisory services

- Buy-side financial due diligence & quality of earnings
- Sell-side due diligence & quality of earnings
- Post-close transaction support
- Integrated due diligence (Includes tax, HR, operations & supply chain, internal control, cybersecurity & IT, background investigations, synergy assessments)

Valuations

- Understand the fair market value of your business
- Shareholder disputes (Includes dissent and oppression remedies)
- Business transition support
- Succession planning

- Regulatory compliance
- Purchase price allocation (tangible assets, identifiable intangible assets and goodwill)
- Goodwill impairment testing
- Fairness opinions
- Personal injury and loss quantification

Complex Financial Instrument Pricing

- Fair market valuation of financial instruments (loans, bonds, preferred stock), derivatives (options, employee stock options, swaps, and forwards/futures), other complex financial arrangements (hybrid or combined instruments)
- Determination of synthetic credit rating and risk-adjusted rates (Includes the incremental borrowing rate under IFRS 16)
- Hedge effectiveness assessments
- Credit and counterparty, market risk, and liquidity risk management
- Stress testing of capital and funding plans
- Financial risk strategy, appetite, tolerance & limits

Consulting

- Digital transformation
- Financial transformation
- Human capital management
- Operational transformation
- Social and public sector consulting

Restructuring

- Formal corporate insolvency filings
- Turnaround and restructuring
- Viability and financial reviews
- Business plans
- Accelerated M&A
- Strategic performance review
- Division I and Division II proposals

Forensics

- Anti-money laundering (AML)
 - Compliance program review & testing
- Forensics investigations and litigation & data analytics
 - Fraud investigations
 - Forensic accounting, including digital forensics
 - Litigation, dispute or loss quantification support
 - Integrating data analysis
 - Resolving data analysis issues
 - Money laundering investigations
- Investigative research
 - Due diligence/background investigations for M&A, investments, partnerships, etc.
- Whistle-blower reporting solutions

Cybersecurity

- Services are offered through a strategic alliance with VARS Corporation, part of Raymond Chabot Grant Thornton

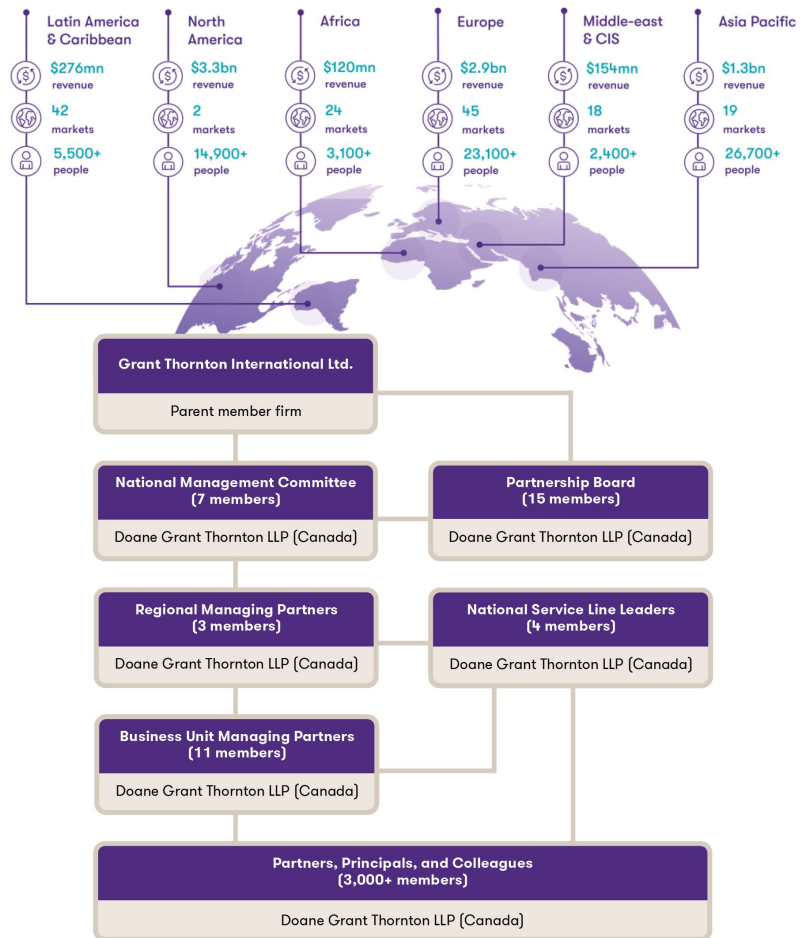
Appendix B: Firm organizational chart

Appendix B: Firm organizational chart

At Doane Grant Thornton LLP (Doane Grant Thornton), our firm is organized by service line — assurance, tax, and advisory — and in some cases further by sub-service lines, sectors, and regions. We are one of the Canadian member firms GTIL, with the other Canadian member firm being Raymond Chabot Grant Thornton (Quebec and National Capital Region).

Our reporting structure is comprised of the following:

- GTIL is the parent company of more than 150 member firms
- Our National Management Committee is made up of seven members, including our CEO and Executive Partner, Chief Financial Officer, and National People and Culture Leader
- Our Partnership Board consists of 15 members, including the CEO and Executive Partner and the Chief Financial Officer, who are members by virtue of their positions. There are also 11 members elected by the partnership and two independent directors
- Our three Regional Managing Partners represent Canada’s three regions (Western Canada, Central Canada, and Atlantic Canada)
- Our National Service Line Leaders represent our service lines (Assurance, Tax, and Advisory) plus a representative for Consulting, which falls under the advisory service line
- Our 11 Business Unit Managing Partners (Vancouver Island, South Coastal BC, Interior BC, Alberta, Prairies, Northern Ontario, Southern Ontario, Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick) lead each of these geographies, combined comprising our national team of more than 3,000 talented and dedicated people



Appendix C: Registered Municipal Auditors confirmation

Registered Municipal Auditors

2025–26



Each year, the Department of Municipal Affairs approves the individual auditors, firms, or partnerships that can perform auditing services as defined within the Municipal Government Act subsection (3) Section 457. The following is the list that has been approved by the Minister and is effective to July 31, 2026.

Firms and Partnerships

Name	Address
Baker Tilly Nova Scotia Inc.	201 - 130 Eileen Stubbs Avenue Dartmouth, NS, B3B 2C4
BDO Canada LLP	510 – 6940 Mumford Road Halifax, NS, B3L 0B7
Belliveau Veinotte Inc.	PO Box 29 - 11 Dominion St. Bridgewater, NS, B4V 2J6
Conrad Cushing Bain Chartered Professional Accountants	37 Rue J.E. Hatfield Court Tusket, NS, B0W 3M0
Deloitte LLP	1741 Lower Water Street Suite 800 Halifax, NS, B3J 0J2
Grant Thornton LLP	1675 Grafton Street, North Tower Suite 1000 Halifax, NS, B3J 0E9
Kent & Duffett Chartered Professional Accountants	4 Cornwallis Street PO Box 817 Kentville, NS, B4N 4H8
KPMG LLP	1959 Upper Water Street 10 th Floor, Purdy's Wharf Tower 1 Halifax, NS, B3J 3N2
MacDonald & Murphy Inc.	635 East River Road New Glasgow, NS, B2H 3S4

Mclsaac Darragh Chartered Professional Accountants	PO Box 217 Amherst, NS, B4H 3Z2
MNP LLP	PO Box 1 Sydney, NS, B1P 6G9
Morse Brewster Lake Chartered Professional Accountants	PO Box 718 158 Commercial Street Berwick, NS, B0P 1E0
White Perkins and Associates Chartered Professional Accountants	230 Main Street Yarmouth, NS. B5A 1C9

Declaration

DECLARATION

Declarations:

We hereby acknowledge and declare that:

- a) we agree to perform the Work in compliance with the requirements set out in the RFQ and details provided in the RFQ submission.
- b) no person, firm, or corporation other than the undersigned has any interest in this RFQ or in the proposed Contract for which this RFQ is made;
- c) we hereby acknowledge and confirm that the TOWN has the right to accept any RFQ or to reject any or all RFQs in accordance with the RFQ;

Signatures:

Signed, sealed, and submitted for and on behalf of:

Company: Doane Grant Thornton LLP
15 Webster St
Kentville, NS B4N 1H4

(Apply SEAL above)

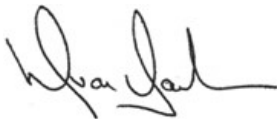
Signature:



Name & Title: Jessica Clahane, Partner Assurance Services

(Please Print or Type)

Witness:



Dated at Duane Saulnier, Partner Assurance Services
this September 25 day of 2025.



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