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## Board Meeting

**Meeting Date:** September 19, 2024  
**Meeting Time:** 1:00 p.m.  
**Location:** The Boardroom at L.E. Shore  
**Prepared By:** Jennifer Murley, CEO/Secretary of the Board

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*Mission: The Blue Mountains Public Library is a dynamic centre of community engagement where everyone can connect, explore and create.*

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When available, this Board meeting will be recorded and made available on the BMPL YouTube Channel. Technical difficulties with social media platforms are not sufficient reason to cancel/postpone a meeting. The Community is also welcome to be onsite for meetings, or to present in either E1 or E2.

### A. Call to Order

- A.1 Moment of Reflection
- A.2 Indigenous Acknowledgement Statement

### B. Agenda

- B.1 Approval of the Agenda

#### Recommended Motion

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT the Agenda of September 19, 2024, be approved as circulated, including any items added to the Agenda.

#### B.2 Declaration of Pecuniary Interest and General Nature Thereof

NOTE: Known pecuniary interests should be provided to the Board Secretary in writing and be noted as part of this agenda item. Should items arise during the meeting, the member shall make notice.

## C. Reports to be “Received as Information”

NOTE: Before there is any discussion on the items listed below, they must be received by this Board. Additional recommendations outlined in any of these items, as well as any subsequent motions, will be addressed at the time of discussion.

### Recommended Motion

Moved by \_\_\_ and seconded by \_\_\_, THAT this Board receive as information:

1. ADM.24.27 entitled “Action Plan Update-September”
2. Updated BMPL Future Story Project Charter
3. ADM.24.28 entitled “Board Evaluation”
4. ADM.24.29 entitled “CEO Service Update-July”
5. FIN.24.05 entitled “2025 Draft Budget”

## D. Minutes

### D.1 Previous Minutes

#### Recommended Motion

Moved by \_\_\_ and seconded by \_\_\_, THAT this Board approve the Board minutes of July 25, 2024, and the special meeting minutes of August 15, 2024, as circulated/amended.

### D.2 Business Arising from the Minutes

## E. Communications with the Board

***Deadline for registration is Monday, July 22 at 2:00p.m.***

### E.1 Deputations

None at the time of agenda creation.

NOTE: In accordance with Ontario’s Municipal Freedom of Information and Protection of Privacy Act (MFIPPA) and Board policy, the Blue Mountains Public Library Board wishes to inform the public that all information including opinions, presentations, reports, and documentation provided for or at an Open Meeting are considered part of the public record. This information may be posted on the Library website, included in Board packages, published in video record, and/or made available to the public upon request.

### E.2 Public Input on the Agenda

NOTE: The Ministry of Heritage Sport Tourism & Culture Industries has directed Library Boards that meetings can proceed virtually as “Open” providing that the community may continue to participate virtually. Any individual may choose to register for a virtual link to participate in the Public Input virtually or be present onsite for face to face meetings without registering. Said correspondence must meet the BMPL’s [BLG.2018.6.7 Public Input on Agenda Items](#) criteria.

In addition to Correspondence, any members of the public who would like to attend the Board Meeting virtually may do so by contacting [LibraryCEO@TheBlueMountains.ca](mailto:LibraryCEO@TheBlueMountains.ca). Requests received prior to 4:00pm the *day prior* to the Board Meeting will be provided with internet and/or phone login information. Credentials are available one month prior to the meeting, so requests need not be made the day of. Login credentials are no longer being published due to the high rate of hacking occurring during the pandemic. Visitors may also attend in person without registering.

### E.3 Correspondence

None at the time of agenda creation.

## F. Strategic Plan Updates & Action Items

NOTE: To better facilitate this section, all reports and discussions have been identified. The Board may make decisions at any time and does not require a formal report or recommended motion to do so.

### F.1 Action Planning

1. **Report:** ADM.24.23 entitled *"Action Plan Update-July"*

### F.2 Strategic Plan Pillar: Community Hubs

1. **Discussion:** SROI, Updated Project Charter, & Next Steps [CH2.1]
2. **Verbal Report:** CEO Update on the Multi-Use Recreation Feasibility Assessment [CH2.1]

#### **Recommended Motion:**

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT this Board approve the SROI & Expansion Project Charter as presented/amended.

### F.3 Strategic Plan Pillar: Organizational Excellence

1. **Discussion:** Key Influencers [OE4.3]
2. **Discussion:** CEO Evaluation Process [OE1.1]
3. **Discussion:** Board Evaluation Process [OE1.1]

#### **Recommended Motion:**

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT this Board approve the CEO evaluation process; and THAT this Board appoint \_\_\_\_ and \_\_\_\_ to the CEO Evaluation Committee.

#### **Recommended Motion:**

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT this Board pilot the CMHA questionnaire for the 2024 Board Evaluation.

### F.4 Strategic Plan Pillar: Empowering Services

1. **Report:** ADM.24.28 entitled *"CEO Service Update-September"*

## G. Other Business

### G.1 Presentation: Draft 2023 Audited Statements

Sarah Clayton, Senior Manager of Audit Services, KPMG

#### **Recommended Motion**

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT this Board approve the draft 2023 Audited Financials of the Blue Mountains Public Library.

#### **Recommended Motion**

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT this Board approve the Town of the Blue Mountains 2023 audited firm as the Blue Mountains Public Library Auditing Firm.

**G.2 Report:** FIN.24.04 entitled “2025 Draft Budget”

**Recommended Motion**

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT this Board receive the 2025 Draft Budget as presented.

**H. Roundtable**

**H.1 Roundtable—General updates by the Board”**

NOTE: The Roundtable is an opportunity for members to share information on events, activities, or general information which members may wish to attend and/or review. This is not intended for new business or discussion pertaining to Action Items.

- 1) Community Updates and News
- 2) BMPL Special Events
  - [Drop-In History Sharing Session: TBM Cultural Map](#) | September 24 from 10am- 12pm | L.E. Shore
  - [ACC Presents: The Kayapo Story with Barbara Zimmerman](#) | September 26 from 7-8 pm | L.E. Shore
  - [Glass on Glass Mosaic Art Workshop with Patti DiFlorio](#) | September 28 from 7:30-10:30 pm | L.E. Shore
  - [Tie A Ribbon](#) | September 30 – All Day | L.E. Shore & Craigleith Heritage Depot
  - [Wawahte Documentary Screening](#) | September 30 from 3-4 pm | L.E. Shore

**I. Key Messages**

**I.1 Key Messages Update**

**Recommended Motion**

Moved by \_\_\_\_ and seconded by \_\_\_\_, THAT this Board approve the release of the Key Messages Update-September 2024.

**J. Notice of Meeting Dates**

The next regular Board Meeting is scheduled for October 17, 2024, at the L.E. Shore Boardroom beginning at 1:00 p.m.

All meetings and relevant agenda materials will be posted on the [Meeting and Agenda](#) page of Governance.

**K. Closed Session**

None at the time of agenda creation.

**L. Adjournment**

**Recommended Motion**

Moved by \_\_\_\_, THAT this Board does now adjourn at \_\_\_\_ p.m. to meet again at the call of the Chair.



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## The Blue Mountains Public Library Board Meeting

**Meeting Date:** July 25, 2024  
**Meeting Time:** 1:00 p.m.  
**Location:** Library Boardroom  
Posted to [YouTube](#)  
**Prepared By:** Jennifer Murley, CEO/Secretary of the Board

**In Attendance:** Laurey Gillies (Chair)      Julia Scott (Vice Chair)  
Joanne de Visser      Shawn McKinlay  
~~Marie Swift~~      Carol Sackville-Duyvelshoff  
Kristina Wichman

**Absent:** N/A  
**Regrets:** Marie Swift  
**Staff:** Jennifer Murley, CEO  
~~Franz Greenfield, Administrative Assistant~~

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### A. Call to Order

The Board meeting was called to order by the Chair at 1:00 p.m. A Moment of Reflection was observed, followed by the reading of the Indigenous Acknowledgement Statement.

### B. Agenda

#### B.1 Approval of the Agenda

##### **BMPL-Resolution 2024-051**

Moved by Julia Scott and seconded by Joanne de Visser, THAT the Agenda of July 25, 2024, be approved as presented. CARRIED.

#### B.2 Declaration of Pecuniary Interest and General Nature Thereof

None were declared.

### C. Reports to be “Received as Information”

All reports to be received as information were received with additional discussion occurring as the items arose within the agenda.

##### **BMPL-Resolution 2024-052**

Moved by Shawn McKinlay and seconded by Carol Sackville-Duyvelshoff, THAT this Board receive as information:

1. ADM.24.23 entitled “Action Plan Update-July.”
2. BMPL Future Story Project Charter
3. ADM.24.24 entitled “Community Builders’ Webpage Update”

4. *ADM.24.25* entitled “CHD Collection Revitalization”
5. *ADM.24.26* entitled “CEO Service Update-July”
6. *FIN.24.04* entitled “Q2 Financials” CARRIED.

## **D. Minutes**

### **D.1 Previous Minutes**

*A minor edit was requested.*

#### **BMPL-Resolution 2024-053**

Moved by Julia Scott and seconded by Shawn McKinlay, THAT this Board approve the Board minutes of June 20, 2024, as amended. CARRIED.

### **D.2 Business Arising from the Minutes**

None.

## **E. Communications with the Board**

The deadline for registration was Monday, May 13 at 2:00 p.m. No members of the public were present in the Zoom meeting and Facebook live was not working. A recording will be posted to YouTube.

### **E.1 Deputations**

None.

### **E.2 Public Input on the Agenda**

No members of the public were present.

### **E.3 Correspondence**

None.

## **F. Strategic Plan Updates & Action Items**

### **F.1 Action Planning**

#### **1. Report: ADM.24.23** entitled “Action Plan Update-July”

There was further discussion over how programs are reported, and the actions being taken to meet expansion needs.

CEO Murley mentioned that the Town recently notified staff that the Little Libraries (CH2.2 in the Action Plan) are ready to for installation. The CEO also noted that ES1.1 of the Plan regarding the REEL Local History films requires modification as staff were unsuccessful in soliciting interviews required to complete the narrative about the Ski Train. Instead, the documentary will shift to the history of the Station. Finally, the installation of the new public computers is complete.

#### **BMPL-Resolution 2024-054**

Moved by Shawn McKinlay and seconded by Kristina Wichman, THAT this Board approve the 2024 Action Plan as amended. CARRIED.

## F.2 Strategic Plan Pillar: Community Hubs

### 1. **Discussion:** SROI & Expansion Project Charter & Next Steps [CH2.1]

Vice-Chair Julia Scott led a discussion about the progress made on the Library's SROI presentation. The data from the November 2023 presentation to Council will be updated to demonstrate continued growth. The slideshow included in the agenda package is the initial draft, and it is expected that there will be multiple versions discussed before a final presentation is ready. The Board also discussed how the SROI presentation and updated space needs data would impact short-term (next 5 years) growth options, while acknowledging that the MURFA would inform the long-term growth of library services (next 10-15 years). Each domain will be reframed to include the SROI calculations, examples of activities, and the benefits under each. The CEO will meet with the SROI committee before the September Board meeting to update the slides for future discussion. The Board agreed that the SROI results should be presented as a deputation before returning to Council to discuss expansion. Expansion discussions will take place after the MURFA results are available. The CEO will update the Project Charter for the next meeting, adding the SROI as a separate presentation.

### 2. **Update & Discussion:** Multi-Use Recreation Feasibility Study and Focus Group Questions [CH2.1]

The Board reviewed the focus group questions and the CEO confirmed that all previous studies and reports were shared with the project consultants, Colliers.

The Board scheduled the focus group for Thursday, August 15 at 10:30 am. Members were assigned questions to prepare in advance, and the CEO was instructed to create a shared document for collaborative preparation.

The CEO confirmed that the community survey for the MURFA will launch in August. The Engagement Plan will also be finalized at that time.

### 3. **Verbal Report:** CEO Update on the Accessibility Feasibility Report [CH2.1]

A draft report was provided by the consultant to the CEO for review. The results were comprehensive, as was expected, and the final draft will be shared with the Board as information.

## F.3 Strategic Plan Pillar: Organizational Excellence

### 1. **Discussion:** 2024 Arts & Crafts Walk [OE4.3]

The Board was impressed with the event's success, and discussed ideas to formally thank all those who were involved. The Board requested that the CEO boost the social media post that went out on the Library's Facebook page.

### **BMPL-Resolution 2024-055**

Moved by Shawn McKinlay and seconded by Julia Scott, THAT this Board thank the Library staff and Arts & Culture Council whose efforts made the 2024 Arts & Crafts Walk a successful community event. CARRIED.

2. **Verbal Report:** CEO Update on the Blue Mountains Cultural Map [OE4.2]  
The CEO announced that the Cultural Map officially launched with over seventy-five sites posted. The CEO provided a brief demonstration of how to access the map and acknowledged the considerable time and effort Museum staff have put into the project.
3. **Verbal Report:** CEO Update on the TBM Youth Climate Action Fund [OE4]  
The CEO is actively participating as a member of the project committee. Additionally, a youth employee from the Library is now part of the selection committee for the project, ensuring that there is a youth voice involved in assessing applications and assisting in the distribution of funds. The committee has reviewed the initial round of applications; however, successful projects will be announced after the second round of applications has been reviewed. Two grant writing workshops took place to discuss project criteria and assist youth in writing strong applications.
4. **Discussion:** CEO Evaluation Process [OE1.1]  
The Board discussed the CEO's performance evaluation instrument, noting that the evaluation would take place in November. An evaluation committee will be appointed in September, along with a proposed evaluation matrix for the Board.

#### F.4 Strategic Plan Pillar: Empowering Services

1. **Report:** ADM.24.18 entitled "*Community Builders Webpage Update*" [ES3.1]  
The CEO announced that the Community Builders webpage will be relaunched as a pilot program on Monday, July 29. For-fee services are not part of the program. Those interested in for-fee services will be redirected to the Town's Business Directory. Success will be measured based on community interest and those who are enthusiastic about sharing skills with others. This is a volunteer-based program, so information about the program will be listed on the volunteer page of the website. The program is to be used at your own risk, and the Library will vet applicants and assess the risks associated with certain skills using the program guidelines and referencing Library policy as needed.
2. **Report:** ADM.24.25 entitled "*CHD Collection Revitalization*" [ES1]  
The CEO and the Museum Curator announced that the Museum would be temporarily closing to enhance the storage, navigation, and accessibility of the collection, emphasizing that the closure will be more of a benefit than hinderance to the community. Staff health and safety is also a priority that this project will address. An extensive communications plan is in development, and ample notice will be provided to Library and Town staff, Council, and the public.
3. **Report:** ADM.24.26 entitled "*CEO Service Update-July*"  
The CEO emphasized the significant amount of news coverage the Library received in June and July. She also recognized the Museum Curator's incredible effort in engaging and educating the community about the Cultural Map. There was a brief discussion on marketing metrics.

## G. Other Business

### G.1 Verbal Report: CEO Update on the 2025 Draft Budget

Library staff has not received any communication from the Town regarding changes to the

funding agreement. The 2025 budget will be developed based on this agreement, which amounts to 6% of this year's tax levy. The CEO has expressed concerns about the sustainability of the Arts Walk, as costs are increasing, and the budget will be stretched due to wage increases. The Board has requested that the first draft of the 2025 budget be presented early, at the September meeting.

#### **G.2 Report: FIN.24.03 entitled "Q2 Financials"**

The CEO was confused and concerned about how the market analysis was presented to Council. The Board was not consulted regarding the use of anticipated surplus funds for Library staff wages. The surplus is under the discretion of the Board, and funds have already been designated for wages until 2026. Changes to the MOU were discussed, as well as Sunday hours. The CEO anticipates that the Library will exceed the budget in certain areas, specifically programming and the audit, but will stay under budget in other areas. It remained undetermined whether additional funding requests will be needed.

### **H. Roundtable**

#### **H.1 Roundtable—General updates by the Board**

- 1) Community Updates and News: None.
- 2) BMPL Events: a shortlist of special events occurring prior to the next meeting were provided.

### **I. Key Messages**

The CEO will draft the key messages and provide them to the Chair, Laurey Gillies, for review.

#### **BMPL-Resolution 2024-056**

Moved by Carol Sackville-Duyvelshoff and seconded by Kris Wichman, THAT this Board approve the release of the Key Messages Update-July 2024. CARRIED.

### **J. Notice of Meeting Dates**

A special meeting of the Board will take place at 10:30 am on August 15, 2024. The next regular meeting will occur on September 19, 2024, at 1:00pm.

All meetings and relevant agenda materials will be posted on the [Meeting and Agenda](#) page of Governance.

### **K. Adjourned**

#### **BMPL-Resolution 2024-044**

Moved by Laurey Gillies THAT this Board does now adjourn at 5:15 p.m. to meet again at the call of the Chair. CARRIED.

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Laurey Gillies, Chair

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Jennifer Murley, Board Secretary

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## The Blue Mountains Public Library Board Meeting

**Meeting Date:** August 15, 2024  
**Meeting Time:** 10:30 a.m.  
**Location:** Library Boardroom  
**Prepared By:** Jennifer Murley, CEO/Secretary of the Board

**In Attendance:** Laurey Gillies (Chair)      Julia Scott (Vice Chair)  
Joanne de Visser      ~~Shawn McKinlay~~  
Marie Swift      Carol Sackville-Duyvelshoff  
Kristina Wichman

**Absent:** N/A  
**Regrets:** Shawn McKinlay  
**Staff:** Jennifer Murley, CEO  
Mary Dodge, Manager of Community Engagement

**Guests:** Kate Graham, Colliers Project Leaders  
Kristina Fasciano, Colliers Project Leaders

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This special Board meeting is open to the public but will not be recorded or livestreamed. The purpose of the meeting is for the Board to provide feedback solicited by the project consultants, Colliers Project Leaders, who were hired to lead the Multi-Use Recreation Feasibility Study (MURFA).

### A. Call to Order

- A.1 Moment of Reflection
- A.2 Indigenous Acknowledgement Statement

### B. Agenda

- B.1 Approval of the Agenda

#### Recommended Motion

Moved by Kristina Wichman and seconded by Joanne De Visser, THAT the Agenda of August 15, 2024, be approved as circulated.

#### B.2 Declaration of Pecuniary Interest and General Nature Thereof

NOTE: Known pecuniary interests should be provided to the Board Secretary in writing and be noted as part of this agenda item. Should items arise during the meeting, the member shall make notice.

### **C. Colliers Focus Group Re: Multi-Use Recreation Feasibility Assessment (MURFA)**

During the meeting, Colliers Consultant Kate Graham provided an overview of the Multi-Use Recreation Feasibility Assessment (MURFA). This project focuses on exploring feasible options for multi-use recreation facilities in The Town of The Blue Mountains and The Town of Collingwood with library services as part of the investigation.

Chair Laurey Gillies emphasized that the Board would respond as a unified voice, concentrating specifically on library needs.

The Board shared their input on the 8 questions in the public agenda package. The discussion emphasized the existing evidence from previous strategic planning, facility reviews, space needs assessments, BMPL Board presentations, and province-wide data, indicating that Library expansion in the Town of The Blue Mountains is long overdue. Short- and long-term options that would best serve the Town of The Blue Mountains were explored.

Colliers were reminded that while exploring library services in both communities, the BMPL is one of the few public libraries in Ontario that operates as a GLAM: Gallery, Library, Archive, and Museum.

### **D. Notice of Meeting Dates**

The next regular Board Meeting is scheduled for September 19, 2024, at the L.E. Shore Boardroom beginning at 1:00 p.m.

All meetings and relevant agenda materials will be posted on the [Meeting and Agenda](#) page of Governance.

### **E. Adjournment**

#### **Recommended Motion**

Moved by Laurey Gillies, THAT this Board does now adjourn at 12:02 p.m. to meet again at the call of the Chair.

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Laurey Gillies, Chair

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Jennifer Murley, Board Secretary

# 2024 Action Plan

## Strategic Priority:

Community Hubs - Provide spaces to connect, explore, and create.

CH 1: Foster social cohesion in a time of growth and challenges			
Objectives	Actions	Responsibility	Measures
1.1 Increase programs to older adults.	Explore new partnerships, and host events for older adults to safely gather and engage.	CEO	<p># of older adult programs hosted, # of sessions, # of participants reached</p> <p><b>152 Programs (2023)</b> <b>77 Programs (As of June 30, 2024)</b></p> <p># of older adults reached <b>1492 Reached (2023)</b> <b>1377 (As of June 30, 2024)</b></p>
1.2 Reduce barriers to underserved and marginalized individuals and groups.	<p>Revise GLAM policies with an IDEA lens.</p> <p>Actively participate and influence the TBM's IDEA committee.</p> <p>Introduce new accessible technologies (e.g. Reading Pen).</p> <p>Participate in a physical audit of GLAM spaces.</p>	<p>CEO/Board</p> <p>CEO</p> <p>CEO</p> <p>CEO</p>	<p># of Policies <b>In Progress</b></p> <p>Staff report with recommendations <b>In Progress</b></p> <p># of technologies implemented</p>



# 2024 Action Plan

			Staff report with recommendations <b>In Progress</b>
<b>1.3</b> Reflect and celebrate Indigenous cultures and histories, through programs, acquisitions, and collections.	Promote Indigenous resources and partner with Indigenous communities to host cultural learning opportunities.  Purchase Indigenous materials from Indigenous vendors such as GoodMinds books.	CEO	Dollars invested and # of resources acquired <b>In Progress</b>
<b>CH 2: Develop multi-use spaces and provide outreach services</b>			
<b>Objectives</b>	<b>Actions</b>	<b>Responsibility</b>	<b>Measures</b>
<b>2.1</b> Establish case for facility expansion with TBM and key partners.	Review current space utilization, articulate facility replacement and upgrade requirements, and identify options for expansion.  Present a report to Council and other key partners.  Actively participate in the TBM's Multi-Use Recreation Feasibility Assessment Committee.	CEO/Board  Board  CEO	Council supports expansion <b>In Progress</b>  Complete/Incomplete <b>In Progress</b>  # of meetings attended and evidence of advocacy/ongoing communication about the project to the Board and community. <b>In Progress</b>
<b>2.2</b> Partner with TBM to expand outreach services into TBM facilities across the Municipality.	Launch Free Little Libraries Project.	CEO	5 locations installed <b>In Progress</b>
<b>2.3</b> Provide services to those unable to go to BMPL facilities.	Develop an Annual Outreach Strategy.	CEO	Staff report <b>In Progress</b>
<b>CH3: Provide technologically connected spaces</b>			
<b>Objectives</b>	<b>Actions</b>	<b>Responsibility</b>	<b>Measures</b>

# 2024 Action Plan

3.1 Partner with TBM IT staff to enhance public workstations and invest in software that will continue to 1) protect the user's privacy of information 2) ensure longevity of the technology and 3) facilitate more equitable access to the Internet.	Move from Useful terminals to PC computers with MS Office for the Public.	CEO	15 computers installed. <b>Complete: 07/17/24</b>
	Implement Apple Business Manager for iPads to increase lending efficiency.	CEO	<b>Complete: 03/25/24</b>

## Strategic Priority: Empowering Services

Create a service model that reaches those who live, work, and play in the TBM.

ES1: Provide diverse GLAM services, collections, and programs			
Objectives	Actions	Responsibility	Measures
1.1 Celebrate and preserve TBM's heritage through enhanced Museum & Archives services.	Film the proposed "REEL History: Ski Train" and release it in time for the 2024 100 <sup>th</sup> anniversary of the Toronto Ski Club.	CEO	Complete/Incomplete. On time and on budget. <b>In Progress</b>
	Film the proposed "REEL History: The Journey of Water" film throughout 2024 for release in late 2025.	CEO	Complete/Incomplete. On time and on budget. <b>In Progress</b>
1.2 Support TBM's goal of a Circular Economy.	Expand Library of Things (LOT) collection.	CEO	# of types of additions, number of new items and 10% increased usage of LOT <b>In Progress</b>
ES2: Support 21st century literacy through resources, opportunities, and coaching			
Objectives	Actions	Responsibility	Measures
2.1 Expand digital literacy and competence in the community.	Offer digital literacy programs on emerging technologies (e.g. AI) for all ages.	CEO	Number of programs, participants, and user

# 2024 Action Plan

	<p>Publish blog posts educating the community on 21<sup>st</sup> century libraries.</p> <p>Gather data around blog topics using micro-surveys.</p>	<p>CEO</p> <p>CEO</p>	<p>satisfaction <b>19 programs, 720 participants (As of June 30, 2024)</b></p> <p>Quarterly posts <b>In Progress</b></p> <p># of respondents <b>In Progress</b></p>
<b>2.2</b> Respond to demand for more services for digital learning.	Evaluate digital resources and new opportunities for digital learning.	CEO	# of new digital resources added and increased usage <b>In Progress</b>
<b>2.3</b> Support TBM's commitment to eco-consciousness, as identified in The Blue Mountains Future Story.	Provide programming and resources on eco-consciousness and sustainability.	CEO	# of programs hosted and/or information resources produced/purchased. <b>In Progress</b>
<b>ES3: Expand the Virtual Branch</b>			
<b>Objectives</b>	<b>Actions</b>	<b>Responsibility</b>	<b>Measures</b>
<b>3.1</b> Build community connections through a service portal.	Determine requirements and publish a Community Builders' webpage.	CEO	<b>Completed: 07-29-24</b> Project launched July 29; 3 community builders, 1 listing

## Strategic Priority:

Organizational Excellence - Grow BMPL as a key partner and community resource.

**OE1: Retain and recruit personnel as an employer of choice**

# 2024 Action Plan

Objectives	Actions	Responsibility	Measures
1.1 Link achievements to Strategic Plan.	Revise Board and CEO evaluation instruments to accomplishment of the Strategic Plan.	Board	Complete/Incomplete <b>In Progress</b>
1.2 Provide unique opportunities for staff to learn and grow.	Attend Ontario Library Association Super Conference.  Organize learning opportunities for staff (e.g. courses, workshops, in house training).  Ensure staff representation on regional and provincial committees.	CEO	<b>Completed: 2024-01-27</b>  Minimum of 5 learning opportunities <b>Completed: 2024-06-20</b>  Staff report <b>In Progress</b>
1.3 Maintain Board competency.	Assist Council in filling the Board vacancy.  Participate in training, conferences, and meetings focused on governance and issues and trends in public libraries.	Board	<b>Completed: 2024-02-07</b>  Minimum of 4 sessions
1.4 Maintain pay and internal equity with TBM.	Participate in TBM Market and Pay Equity Compensation Review.	CEO/Board	<b>Completed: 2024-07-15</b>
<b>OE2: Demonstrate stewardship through transparency and accountability</b>			
Objectives	Actions	Responsibility	Measures
2.1 Increase communication related to organizational funding and performance.	Add 2024 approved budget to BMPL and TBM website.	CEO	<b>Completed: 2024-02-16</b>
2.2 Communicate BMPL impact to Council and the community.	Develop the 2024 Action plan and key metrics for strategic plan implementation.  Apply the Valuing Ontario Libraries Toolkit and integrate results into Council and public presentations.	Board  Board/CEO	<b>Completed: 2024-05-16</b>  # of presentations <b>In Progress</b>

# 2024 Action Plan

2.3 Maintain BMPL as a safe, respectful public place.	Conduct a thorough review of all policies, updating language, eliminating duplication, and adding new policies where required.	Board/CEO	# of policies updated/introduced <b>In Progress</b>
	Oversee installation of security cameras.	CEO	# of cameras installed <b>In Progress</b>
	Create public signage re: appropriate behaviour.	CEO	16 locations posted <b>Completed: 08-23-24</b>
<b>OE3 Increase BMPL financial opportunities</b>			
<b>Objectives</b>	<b>Actions</b>	<b>Responsibility</b>	<b>Measures</b>
3.1 Investigate new funding opportunities to expand GLAM partnerships and services.	Finalize Charitable Status and develop policies to guide the accounting, use, and reporting of charitable funds.	CEO/Board	<b>In Progress</b>
<b>OE4: Be a key partner within the Municipality</b>			
<b>Objectives</b>	<b>Actions</b>	<b>Responsibility</b>	<b>Measures</b>
4.1. Maintain strong communication with TBM leadership.	Hold quarterly meetings between the Town CAO and the Library CEO re MOU and shared goals.	CEO	<b>In Progress</b>
	Meet semi-annually with Council members.	Board	Complete/Incomplete
	Participate in Service Area Manager meetings as needed.	CEO	<b>In Progress</b>

# 2024 Action Plan

<b>4.2</b> Demonstrate GLAM impact to relevant stakeholders.	Present the 2023 Year in Review to Council, highlighting BMPL's annual achievements and demonstrated value to the community.  Work with TBM and community partners to launch a Cultural Map.	CEO/Board  CEO	<b>Complete: 2024-06-03</b>  75 sites identified <b>Complete: 2024-07-01</b>
<b>4.3</b> Promote TBM Art Scene	Engage TBM in the advertising and implementation of the Blue Mountains Arts and Crafts Walk.	CEO	Partnerships established: 5 Increased participation: ~33% <b>Complete: 2024-07-06</b>
<b>OE5: Provide inclusive and engaging communications with and to the community</b>			
<b>Objectives</b>	<b>Actions</b>	<b>Responsibility</b>	<b>Measures</b>
<b>5.1</b> Build audience on all communication platforms.	Increase collaboration between Library/TBM communications.	CEO	<b>In Progress</b>
	Add GLAM information to Town 2024 Welcome packages.	CEO	<b>Complete: 2024-02-01</b>
<b>5.2</b> Expand BMPL's network of engaged citizens/groups.	Identify key influencers and develop a community plan with priority groups.	Board	Complete/Incomplete <b>In Progress</b>



## PROJECT CHARTER

**Project Title: The BMPL Future Story**

**Project Team:**

- Joanne de Visser
- Julia Scott
- Carol Sackville-Duyvelshoff
- Jennifer Murley

**Project Start Date: June 20, 2024**

**Project End Date: October 21, 2024 (Pending Confirmation)**

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### 1. Project Purpose

To prepare two presentations to Council to further address space needs, validating the request for expansion of library services in the TBM. The presentations will serve as an extension of the BMPL Board's November 2023 presentation, incorporating the social return on investment (SROI) of the library's services and additional data collected throughout 2024. This presentation will demonstrate how the library positively impacts the community in social, economic, and educational aspects, and why more space is required to maintain and expand current service levels.

### 2. Project Objectives

- To collect and analyze data demonstrating the social return on investment of the library's current services.
- To develop a comprehensive and compelling presentation for Council.
- To highlight specific areas where the library's expansion would further benefit the community.
- To secure Council's approval and funding for the expansion of library services.



## PROJECT CHARTER

### 3. Scope

#### 3.1 In Scope:

- Data collection on library usage and community impact.
- Analysis of economic, social, and educational benefits of library services.
- Incorporation of the SROI findings, 2022 Gap Analysis Report, 2023 ARUPLO Guidelines, 2024 Accessibility Feasibility Report, the space needs micro-survey, MURFA results, and additional data collected re: staff workspace and room rentals.
- Testimonials from staff and the public.
- Final presentation to Council.

#### 3.2 Out of Scope:

- Implementation of expansion plans.
- Detailed architectural or logistical planning for the expansion.
- Any activities beyond the initial presentation and approval process.

### 4. Deliverables

- SROI report detailing the benefits of current library services.
- PowerPoint or Canva presentation slides.
- Executive summary and key talking points.
- Supplementary materials, including testimonials and case studies.
- A post-presentation summary and follow-up action plan.

### 5. Project Milestones

1. **Project Initiation and Team Formation:** June 20, 2024
2. **Data Collection and Analysis:** [Date]
3. **First Presentation: October 21, 2024**
4. **Final Presentation Preparation:** November 2024
5. **Presentation to Council:** December 2024





## PROJECT CHARTER

### 6. Resource Allocation

- Internal staff for data collection, analysis, and presentation preparation.

### 7. Key Stakeholders

- Town CAO
- Director of Community Services
- Council Members
- Community Leaders
- Library Patrons and Volunteers



# VALUING THE BLUE MOUNTAINS PUBLIC LIBRARY





# OVERVIEW

1

Background

2

Methodology

3

Results

4

Conclusion

5

Q&A

6

Next Steps



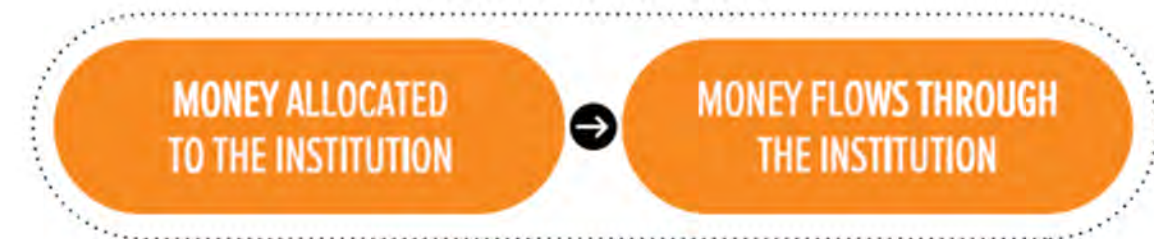


# UNDERSTANDING SOCIAL RETURN ON INVESTMENT

Social Return on Investment (SROI) calculations take something offered at no cost and apply a dollar value to it.

SROI can be used to demonstrate the value of not-for-profit organizations, like public libraries, whose success cannot be measured by how much revenue or profit it earns.

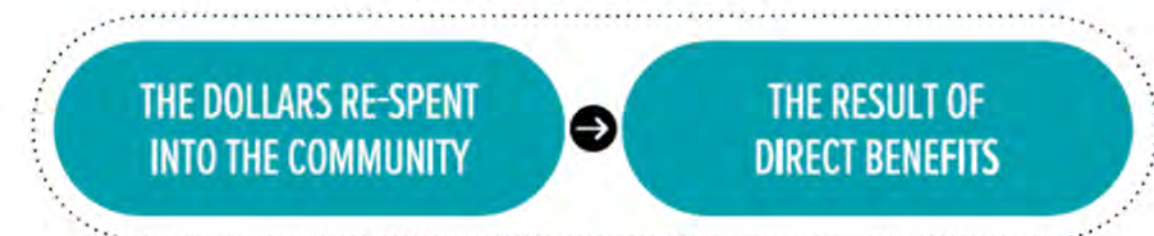
## DIRECT SPENDING



## DIRECT BENEFITS



## INDIRECT BENEFITS





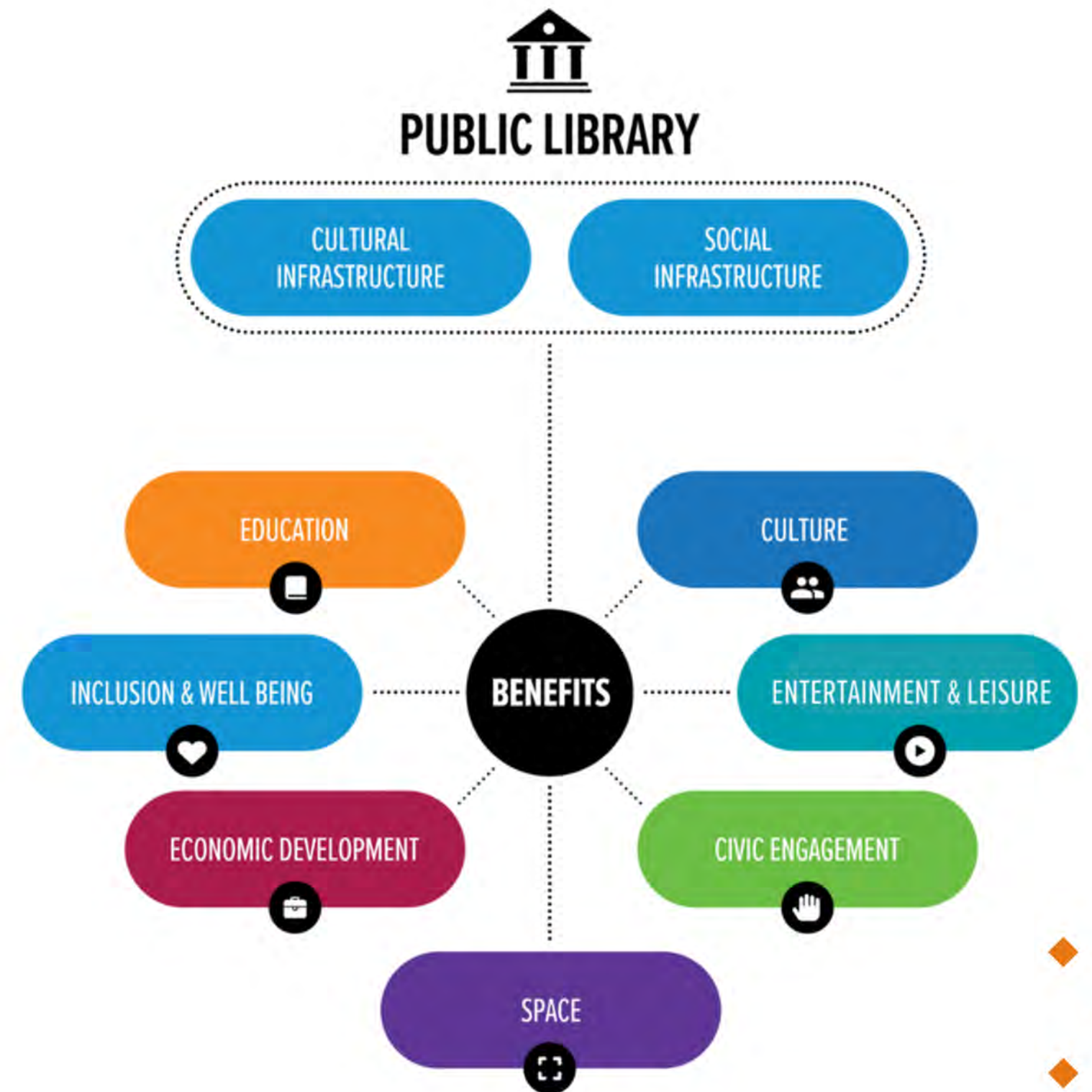
# VALUING ONTARIO LIBRARIES TOOLKIT (VOLT)

## Development

- Fall of 2024, Ontario Library Service (OLS) launched the VOLT to help Ontario public libraries measure and demonstrate their value and impact within the community.
- Toolkit was developed by the NORDIK Institute, an innovative community-based research hub with Algoma University, dedicated to building healthy, resilient communities.

## Framework

- Builds on a toolkit created for Northern Ontario libraries to demonstrate their social return on investment.
- Was developed with public Library CEOs, First Nations Public Libraries, and Francophone-majority communities.
- The Blue Mountains Public Library's CEO was a member of the VOLT Steering Committee.





# KEY METRICS EXPLAINED

- 1 Education:** Economic benefit of access to information
- 2 Culture:** Economic benefit of special collections & other materials related to the culture & history of the TBM
- 3 Inclusion & Wellbeing:** Economic benefit of accessible collections
- 4 Entertainment & Leisure:** Economic benefit of recreational reading, viewing, and listening
- 5 Economic Development:** Economic benefit of employment, training, and development
- 6 Civic Engagement:** Economic benefit of volunteer hours
- 7 Space:** Economic benefit of meeting space

**Note:** Deadweight Calculation is incorporated into each domain for accuracy





# OUR RESULTS

In 2023, BMPL has calculated its overall economic benefit to the community as **\$4,221,353.06**.

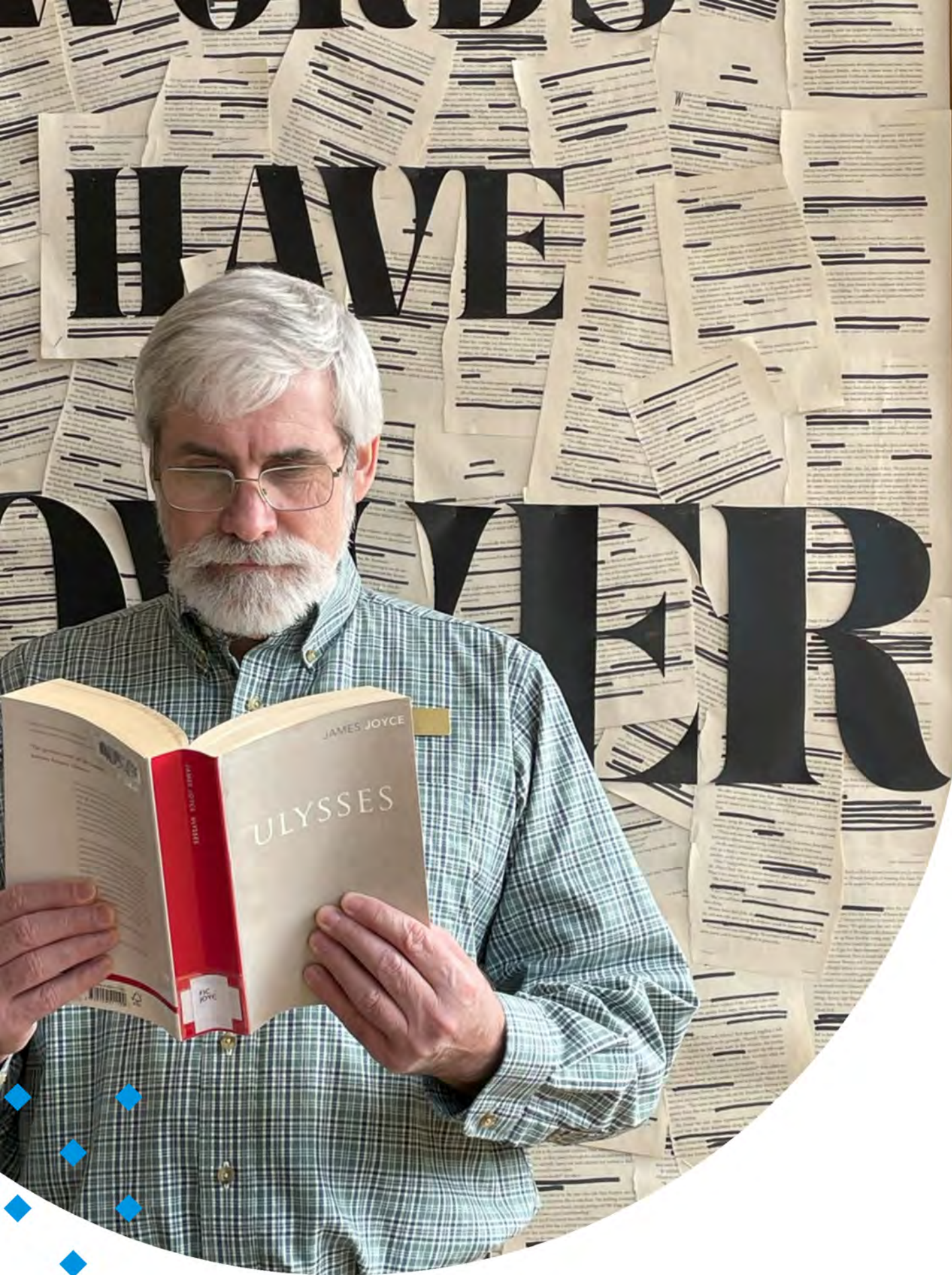
This works out to **\$449.56** per permanent resident and **\$970.43** per household.

For every hour open, your BMPL generates **\$390** of value.

For every \$1 invested into Gallery, Library, Archive and Museum services (GLAM), BMPL generates **\$2.60** or **a return of 254%**.







## EDUCATION

In 2023, the benefit of education services provided by your BMPL is valued at **\$413,218.75.**

**A further breakdown indicates:**

**\$159,850**

Economic benefit of non-fiction

**\$3,245**

Economic benefit of inter-library loan requests.

**\$48,020**

Economic benefit of in-library requests (i.e. standard reference questions, info/tech support, readers' advisory).



# CULTURE

In 2023, the benefit of culture services provided by your BMPL is valued at **\$229,858.24.**

**A further breakdown indicates:**

**\$106,824.09**

of benefit from access to special collections and other materials related to the culture and history of our community, such as board games, nordic walking poles, and language resources.

**\$27,405**

of benefit from the promotion of local cultural events, programs, and information services about our local area.

**\$106,302.72**

of benefit from events of cultural significance that we organize and host, such as monthly art exhibits, author talks, and the Arts Walk.







# INCLUSION & WELLBEING

In 2023, the benefit of education services provided by your BMPL is valued at **\$133,073.05**.

**A further breakdown indicates:**

**\$36,110**

of benefit from our accessible collections, such as large print books, DAISY books, talking books, and assistive technology.

**\$18,950**

of benefit from free, public internet access.

**\$78,015**

of benefit from our social and health-related programs and workshops, such as vaccination clinics,



# ENTERTAINMENT & LEISURE

In 2023, the benefit of entertainment and leisure services provided by your BMPL is valued at **\$2,177,870**.

**A further breakdown indicates:**

**\$496,040**

of benefit from access recreational reading, viewing, and listening.

**\$59,380**

of benefit from our adult and seniors' programs or workshops such as senior's fitness, knit and knatters, and adult trivia night.

**\$1,622,450**

of benefit from library memberships.







# ECONOMIC DEVELOPMENT

In 2023, the benefit of economic development services provided by your BMPL is valued at **\$1,205,395.**

**A further breakdown indicates:**

**\$1,122,091**

of benefit to the local economy from staff salaries, benefits, and training.

**\$2430**

of benefit from our business and economic development programs and workshops.

**\$80,875**

of benefit in self-generated revenue or outside funding brought into our community.



# CIVIC ENGAGEMENT

In 2023, the benefit of civic engagement services provided by your BMPL is valued at **\$30,833**.

**A further breakdown indicates:**

**\$18,478**

of benefit generated by local volunteers, including the BMPL Board.

**\$3,921**

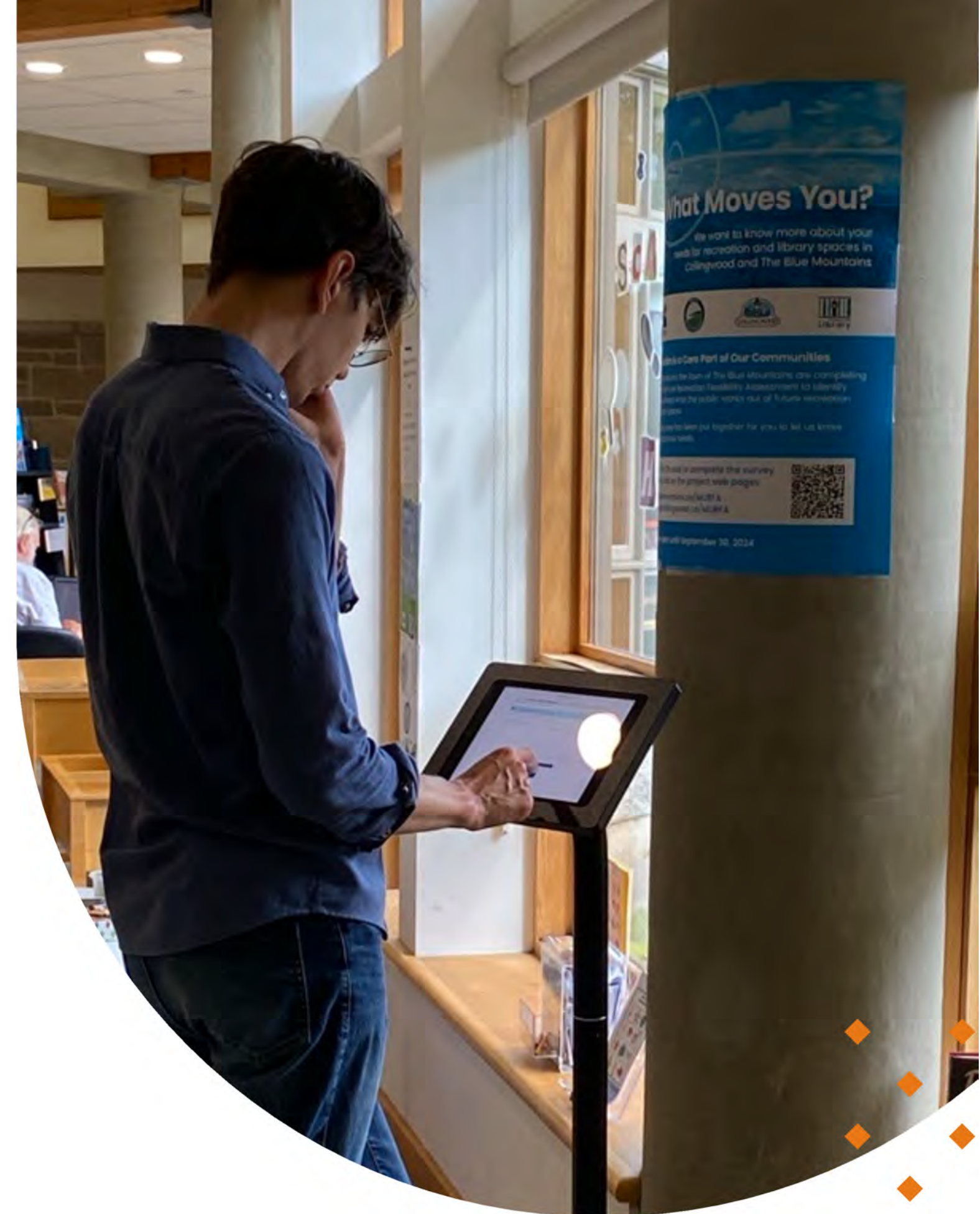
of benefit from our community development programs and workshops.

**\$4,551**

of benefit from formal partnerships with other organizations and civic groups.

**\$3,883**

from serving as an access point for government.







# SPACE

In 2023, the benefit of public space provided by your BMPL is valued at **\$31,106**.

## A further breakdown indicates:

**\$9,620**

of benefit generated by our publicly accessible meeting spaces.

**\$6,889**

of benefit from the use of our common spaces, including

**\$5,941**

of benefit from library museum visits.

**\$948**

of benefit from public seating.

**\$14,597**

of benefit from visits to special purpose spaces, such as The Gallery at L.E. Shore.

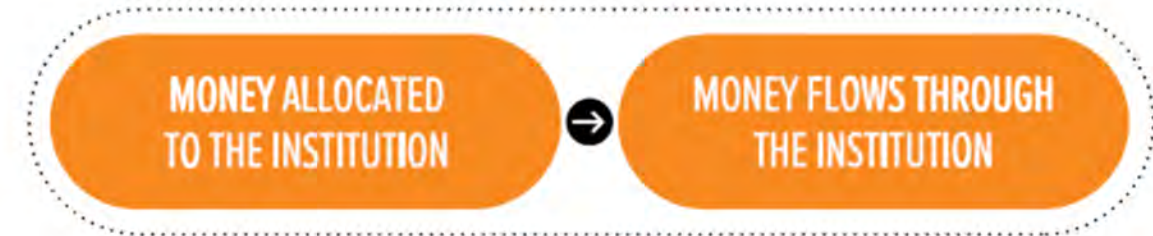


# APPLYING THE RESULTS

## What we know:

1. The Library is a worthwhile investment for residents and tax payers.
2. The Library provides a diversity of benefits to the community, beyond books.
3. The social return on investment for gallery, library, archive and museum services is dependent on maintaining service levels and responding to feedback and projected growth.
4. There is an opportunity to increase the SROI by addressing space needs. Public space is required for community activities and connections, both open and special purpose areas.

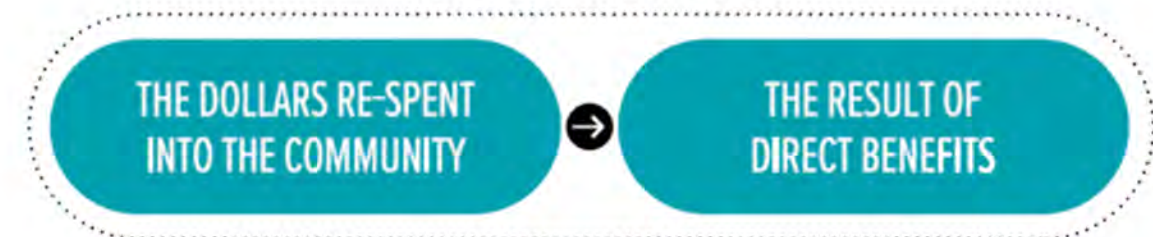
### DIRECT SPENDING



### DIRECT BENEFITS



### INDIRECT BENEFITS







# QUESTION PERIOD





## Board Meeting

**Report To:** The Blue Mountains Public Library Board  
**Report Name:** ADM.24.28 Board Evaluation  
**Prepared by:** Laurey Gillies, Library Board Chair

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### A. Recommendation

*That this Board receive as information ADM.24.xx entitled “Board Evaluation”; AND that this Board pilot the CMHA questionnaire for the 2024 Board Evaluation.*

### B. Background

At the November 2023 Board meeting, the Board reviewed the results of the Board Evaluation survey conducted earlier in the Fall. There was some dissatisfaction with the survey instrument and so the Board included the revision of Board evaluation in the 2024 Action Plan (OE1.1).

At the July 2024 meeting, the Board reviewed the CEO evaluation instrument which assesses CEO performance against goals established in the previous year. These goals are derived from the Action Plan as well as other goals identified in the previous year’s evaluation. It was suggested that we might take a similar approach for Board evaluation.

### C. Options

Attached are two options for Board Evaluation.

The first is based on the approach we confirmed for CEO evaluation. Generally, it equates Board achievement with achievement of the year’s Action Plan. In the case of Board evaluation, it would focus discussion on Board actions as identified in the Action Plan and lay the foundation for the following year Action Plan.

The second is a questionnaire developed by the Canadian Mental Health Association for its own board evaluation. It is more broadly focused, addressing governance, Board operations, Board culture, and self-evaluation. It would focus discussion more broadly on areas for improvement in board governance.

### D. Discussion

Board By-Law 10.7 states:

*“The Board shall monitor its own effectiveness in fulfilling its major responsibilities and achieving strategic goals. The evaluation process identifies key areas for improvement and the requisite follow-up action.*

1. *The Board shall evaluate its effectiveness on an annual basis:*
  - 1.1. *Assessing the Board as a whole; and*

*1.2. Via self-assessment.*

*2. The evaluation shall be completed by considering the performance of the Board against approved Plans, By-Laws and Policy.”*

The Board By-Law envisions a broader evaluation of board performance. While assessing our performance against the Action Plan clearly ties evaluation to the strategic plan, it misses other aspects of good governance. This broader assessment is better achieved by the CMHA approach.

## **E. Strategic Alignment**

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This project is in line with the Board’s 2024 Action Plan, specifically OE1.1, Additionally, it aligns with the following strategic priorities:

**Organizational Excellence:** Developing BMPL as a key partner and community resource.

Goal: Retain and recruit personnel as an employer of choice.

Goal: Demonstrate stewardship through transparency and accountability.

Respectfully Submitted,

Jennifer Murley, CEO

[LibraryCEO@TheBlueMountains.ca](mailto:LibraryCEO@TheBlueMountains.ca)

519-599-3681 extension 148

## **Board Evaluation**

Bylaw 10.7 states:

“The Board shall monitor its own effectiveness in fulfilling its major responsibilities and achieving strategic goals. The evaluation process identifies key areas for improvement and the requisite follow-up action.

1. The Board shall evaluate its effectiveness on an annual basis:
  - 1.1. Assessing the Board as a whole; and
  - 1.2. Via self-assessment.
2. The evaluation shall be completed by considering the performance of the Board against approved Plans, By-Laws and Policy.”

## **Process**

1. The Chair completes the chart below, identifying Board actions from the Action Plan.
2. The Board discusses and records its key achievements from the current year and develops goals for next year, informing both the new Action Plan and Multi-Year Agenda.
3. Individual Board members identify personal development/training needs.

## Key Achievements/Goals

Actions for the current year are copied from the current Action Plan. The Board will assess its key achievements in each area and identify key goals for the upcoming year.

Key Achievements (current year)	Key Goals (upcoming year)
<b>Community Hubs</b>	
Provide spaces to connect, explore and create.	
CH1.2 Revise GLAM policies with an IDEA lens	
CH2.1 Review current space utilization, articulate facility replacement and upgrade requirements, and identify options for expansion.	
CH2.1 Present a report to Council and other key partners.	
<b>Empowering Services</b>	
Create a service model that reaches those who live, work, and play in The Town of The Blue Mountains.	
<b>Organization Excellence</b>	
Grow BMPL as a key partner and community resource.	
OE1.1 Revise Board and CEO Evaluation instruments to accomplishment of the Strategic Plan.	
OE1.3 Assist Council in filling the Board vacancy.	
OE1.3 Participate in training, conference, and meetings focused on governance and issues and trends in public libraries.	
OE1.4 Participate in TBM Market and Pay Equity Compensation Review.	
OE 2.2 Apply the Valuing Ontario Libraries Toolkit and integrate results into Council and public presentations.	

Key Achievements (current year)	Key Goals (upcoming year)
OE2.3 Conduct a thorough review of all policies, updating language, eliminating duplication, and adding new policies where required.	
OE3.1 Finalize Charitable Status and develop policies to guide the accounting, use and reporting of charitable funds.	
OE4.1 Meet semi-annually with Council members.	
OE4.2 Present the 2023 Year in Review to Council, highlighting BMPL's annual achievements and demonstrated value to the community.	
OE5.2 Identify key influencers and develop a community plan with priority groups.	

### Personal Development/Training Plan

## Board Evaluation Questionnaire

The Board of Directors conducts an annual self-assessment to ensure that it is fulfilling the requirements of its terms of reference and contributing to the leadership of the agency. Results are used to enhance Board governance practices and performance.

This questionnaire is designed to gather perceptions of the Board's performance on a range of items related to governance, Board operations and the "culture" of the Board. It also asks you to self-assess your own performance as a Board member. Replies will be confidential.

***If you are unsure, or feel you do not have enough information to answer a particular question, simply leave that item blank.***

### 1. Governance

We follow a policy governance approach where the Board governs through policies that define the relationship between the Board and the Executive Director (ED), and establish organizational goals, governance approach, and management limitations. Rate the following aspects of the Board's governance performance:

		Very Good	Good	Not so Good	Poor
a.	Establishing strategic directions for the agency .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.	Monitoring ED performance .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.	Developing and maintaining effective governance policies.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.	Ensuring appropriate organizational policies are in place .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.	Ensuring effective risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f.	Exercising effective control over financial affairs .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g.	Placing the good of the corporation over any individual interests .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h.	Presenting a positive profile of the organization in the community.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i.	Ensuring effective Board and CEO succession planning .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you gave a negative response ("fair" or "poor") to any of the items related to governance, please elaborate and/or make suggestions for improvement below: *(Specify the Item #)*

## 2. Board Operations

This next series of questions addresses the structure and ongoing operations of the Board. Think now of your own involvement with the Board of Directors, and indicate your level of agreement or disagreement with each of the following statements:

		<i>Agree Strongly</i>	<i>Agree Somewhat</i>	<i>Disagree Somewhat</i>	<i>Disagree Strongly</i>
a.	The Board is dealing with important issues .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.	Board members represent a variety of philosophical perspectives.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.	Decisions are made based on accurate and timely information .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.	The skill mix on the Board is adequate to do the job .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.	There is a clear distinction between Board and ED roles .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f.	The Board asks constructive questions .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g.	The Board keeps abreast of relevant trends, events and emerging issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h.	New Board members receive adequate orientation .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i.	There are sufficient appropriate professional development opportunities for Board members ...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
					... Cont'd
		<i>Agree</i>	<i>Agree</i>	<i>Disagree</i>	<i>Disagree</i>

If you gave a negative response (“fair”, “poor”, “too many”, “too few”, “disagree somewhat” or “disagree strongly”) to any of the items related to Board operations, please elaborate and/or make suggestions for improvement below: *(Specify the Item #)*

[illegible]



### 3. Board Culture

Indicate your level of agreement or disagreement with each of the following statements related to the attitudes, values and group dynamics of the Board:

	<i>Agree Strongly</i>	<i>Agree Somewhat</i>	<i>Disagree Somewhat</i>	<i>Disagree Strongly</i>
a. The members of this Board work well together .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Board members are committed and loyal to the organization .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. I believe my comments are respected by others .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. I feel comfortable in "speaking my mind" at Board meetings .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Flexibility, adaptability and forward thinking is valued .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Communication is open, honest and transparent .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. There is a good team spirit .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Constructive dissent is encouraged	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Any conflict among Board members is acknowledged and addressed .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Once consensus on an issue has been reached the Board speaks with one voice.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you gave a negative response ("disagree somewhat" or "disagree strongly") to any of the items related to Board culture, please elaborate and/or make suggestions for improvement below: *(Specify the Item #)*

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#### 4. Self-Evaluation

Rate the following aspects of your own performance as a member of the Board over the past year:

		<i>Very Good</i>	<i>Good</i>	<i>Not so Good</i>	<i>Poor</i>
a.	Attendance of meetings .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b.	Preparation for meetings.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c.	Participation at meetings.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d.	Understanding of my roles and obligations as a Director.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e.	Understanding of our mission, vision, values and goals .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f.	Knowledge of our organization....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g.	Understanding of relevant legislation and regulations .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h.	Understanding of my role relative to management .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i.	Awareness of relevant trends, events and emerging issues .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j.	Ability to provide financial oversight .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Still thinking of your own involvement with the Board of Directors, indicate your level of agreement or disagreement with each of the following statements:

		<i>Agree Strongly</i>	<i>Agree Somewhat</i>	<i>Disagree Somewhat</i>	<i>Disagree Strongly</i>
k.	I am committed and loyal to the organization .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l.	I approach all issues objectively and am not unduly influenced by management .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m.	I communicate clearly and openly.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n.	I ask relevant and constructive questions at Board and committee meetings .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o.	I listen to other Board members and respect their opinions .....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

- q. I do a good job representing our organization to the members and community ..... ☐ ☐ ☐ ☐
- r. Overall, I make a positive contribution to our Board ..... ☐ ☐ ☐ ☐

What is the greatest single strength that you bring to the Board?

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What are your professional development priorities as a Board member next year?

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## 5. General

- a. Keeping your answers to all the previous questions in mind, how would you rate the overall effectiveness of the Board in contributing to the mandate of our organization?

☐ Very Good      ☐ Good      ☐ Not so Good      ☐ Poor

- b. What do you believe is the single most important strength of this Board?

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- c. Are there any obstacles interfering with Board performance?

☐ Yes → Please specify: \_\_\_\_\_

☐ No \_\_\_\_\_

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- d. Feel free to make any other comments or suggestions to assist in future Board planning and development initiatives.

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## Board Meeting

**Report To:** The Blue Mountains Public Library Board  
**Report Name:** ADM.24.29 CEO & Service Update-September  
**Date:** September 19, 2024  
**Prepared by:** Jennifer Murley, CEO

### A. Recommendations

*That this Board receive as information ADM.24.29 entitled "CEO & Service Update-September".*

### B. Background

The BMPL is comprised of a Gallery, Library, Archives and Museum (GLAM). GLAMs across the province are now understood to be the culture hubs of communities, and more regularly have a single operational body, such as in the BMPL model. While this is not the comprehensive report of activities of our GLAM; this CEO & Services Update Report includes general highlights which are of importance to the Board from either a governance standpoint or as talking points on our organization. This will focus on both facilities of the Craigeith Heritage Depot (CHD) and the L.E. Shore branch (LES), successes or concerns by GLAM service, and how each impacts the three Strategic Pillars and Annual Action Plan.

### C. August Highlights by the Numbers

- We welcomed 52 new members in August.
- We ran 37 programs with 699 participants: 3 senior's programs with 12 participants.
- Our volunteers dedicated over 57.5 hours of their time to BMPL.
- 157 Library of Things items circulated.
- 25 tech-help appointments were completed and there were 11 drop-ins for Wired Wednesdays.
- BMPL in the News:
- Museum Visitors: 320 (physical) 250 (virtual)
- Museum Item Donations: 4 donors donated a total of 20 items.

### D. Partnerships & Outreach

The Community Builders program launched at the end of July with a handful of people registering to be Community Builders and participants [ES3.1]. Community Builders are members of the public who have skills they wish to share and pass on to others in their community. This 'Pay It Forward' initiative is a great way for community members to connect with others and share their knowledge with those interested in learning more on a topic. Participants and Community Builders will connect at the Library and share tips, tricks, and information about choice of skills [CH1.1].

Five Little Free Libraries with Food Pantry were installed throughout the Blue Mountains at the end of July [CHD1.2, CH2.2]. In partnership with Thornbury-Clarksburg Rotary Club, Beaver Valley Outreach (BVO) and The Town of The Blue Mountains, these five Little Free Libraries

were masterfully crafted by the Technological Class at Georgian Bay Community School and artistically painted by Art Students at Georgian Bay Community School. Each Little Free Libraries brings expanded 24-hour book access to areas of the Blue Mountains, and barrier free food pantry items. Community members can take what they need and give when they can of either books or food pantry items. The best Little Free Libraries offer popular books for all ages, and the best Food Pantries offer meals you can make without additional supplies. An official launch is currently being planned with the partners with event details coming soon! For more information about the Little Free Libraries, please visit our webpage <https://www.thebluemountainslibrary.ca/library/library-visits-pop-ups/little-free-libraries>

## E. Programming at L.E. Shore

### Summer Reading Club Success

Our Summer Reading Club for ages 0-17 was a resounding success this year, marking our busiest and most impactful season to date. We saw over 150 children participate, collectively reading more than 2,000 books. To keep engagement high and foster a love for reading, BMPL offered various incentives, including ice cream and a treasure chest. These rewards effectively motivated children to continue their

reading journey throughout the summer, promoting early literacy in a fun and engaging way.



In addition to our reading program, we organized a variety of enriching activities:

- **Weekly Drop-in Arts & Crafts:** These sessions provided creative outlets and hands-on experiences for youth.
- **Summer Scavenger Hunt:** This activity added an element of adventure and exploration to the Library.
- **“No-Cook” Cooking Classes:** These classes were well-received, offering children the chance to learn basic “no-cook” cooking skills while engaging with their peers, no oven or stove required.
- **Story Times:** Regular story times continued to captivate young audiences and encourage early literacy.



### Partnerships for Early Literacy

The L.E. Shore Library forged valuable partnerships with two local organizations - the Farmers Pantry and the Georgian Triangle Humane Society to enhance our Early Literacy Programs. These partnerships not only spotlighted local businesses and organizations but also enriched the literacy experience for our youth by introducing them to different animals and environments.

### Astronomy Night

Our annual Astronomy Night, in collaboration with the Royal Astronomical Society of Canada, was a highlight of the season.



Although inclement weather prevented a visit to the Carr Observatory, the event was still a success. Local astronomers stepped in to deliver an engaging talk and slideshow on recent cosmic discoveries in the Gallery at L.E. Shore. Despite the rain, attendees appreciated the informative session and remained enthusiastic about the wonders of the universe.

---

## F. The Gallery at L.E. Shore

---

After over 7 months of planning, the Arts & Culture Council (ACC) were thrilled to launch the second Arts & Crafts Walk on July 6. Although the weather called for rain and thunder, it turned out to be a beautiful day – and not too hot! This year’s event was bigger and better featuring more music, food and art and crafts all the way from Clarksburg to Thornbury. We also saw an increase in attendance with over 1200 art enthusiasts doing the tour. The day was a wonderful showcasing of our local arts and culture scene and a special thank you goes out to all of its volunteers and participants for making it happen.

The ACC also hosted their annual two-month long summer show – this year featuring the Georgian Quilters’ Guild and Danfield Antiques & Art. The exhibit beautifully contrasted handmade quilts with 19th century painted Canadian furniture.

## G. Archive and Museum

---

Museum staff kept busy in July and August, installing two new exhibits. Explore adventurous life of Jojo Weider with “Jojo Weider: A Life of Adventure” and local cook ware and recipes with



“Food for Thought”. The Museum is committed to keeping visitors engaged and inspired. With plans to refresh the gallery space with new exhibits every month, there's always something new to discover. [ES1]

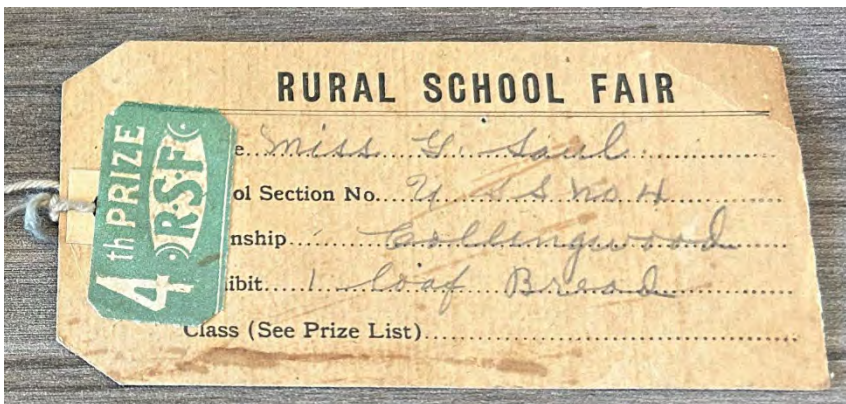
The Museum in partnership with the TBM launched the TBM Cultural Map with 75-85 sites, on July 2. Currently there are 104 sites viewable on the digital map. Each month 5 more sites will be uploaded to continue to catalogue the amazing cultural, natural, and intangible heritage The Blue Mountains has to offer. Staff are committed to making the map a community resource and hold sharing sessions on Tuesdays in the Library Boardroom to allow residents a chance to donate images, documents and stories to the map as well as the museum and archive repository. (Note: the public is welcome to come to the Museum to provide these items

and information – but staff thought it best to provide a more central location for information sharing.) [ES1]



The Museum hosted another successful Fossil Discovery Event with 2 former paleontologists from the ROM. 16 in attendance, with fossils found, prehistoric history shared, and a new appreciation for our area's prehistoric past! [ES1]

There were 7 donors who donated items to the Museum in the months of July and August, which resulted in 76 items. Donations include Thornbury School report cards, a spinning wheel from 1882, and a Blue Mountain Resort Slide ride patch. [ES1]



## G. Staffing

In August, we were pleased to welcome back Ken Haigh, former Library CEO, who has rejoined our team as a Library Specialist in the Circulation department. Additionally, we introduced two new Library Pages, Paisley and Molly, who have already started contributing to our daily operations.

We bid farewell to Savannah, one of our Library pages, who is heading to McGill University this Fall. We also said goodbye to our summer student, Kassy, who is returning to her teaching role.

Kassy's contributions during her time here contributed to the success of our youth summer programs and the Youth Climate Action Fund Selection Committee.

## H. Communication

Members of the public, including the media and Town Council, have been invited to subscribe to the BMPL E-Newsletter and Key Messages. Subscription can occur at <https://www.thebluemountainslibrary.ca/about-us/follow-us>. [OE5]

BMPL's primary method of communication is through the various e-newsletters and blogs. The main e-newsletter or any of the 4 topical monthly blogs are available by [subscription](#) whether a patron or not.

- [Library News](#): 1599
- [In the Gallery](#): 466
- [Staff Picks](#): 325
- [Key Messages](#): 182

### Board Meetings

Board meetings are typically broadcast on Facebook (live) and rebroadcast on YouTube. While the Board is meeting onsite and encourage the community to join us in person, we will continue to broadcast meetings for accessibility and transparency. [CH3]

Month	Facebook	YouTube
<a href="#">April</a>	N/A	<a href="#">16 views</a>
<a href="#">May</a>	N/A	<a href="#">17 views</a>
<a href="#">June</a>	N/A	<a href="#">23 views</a>
<a href="#">July</a>	N/A	<a href="#">20 views</a>

Respectfully Submitted,

Jennifer Murley, CEO  
[LibraryCEO@TheBlueMountains.ca](mailto:LibraryCEO@TheBlueMountains.ca)  
519-599-3681 extension 148





# THE BLUE MOUNTAINS PUBLIC LIBRARY **BOARD PLANNING** KEY SUPPORTERS





# What are **Key Supporters**?

*Key Supporters are a group mentored for Advocacy.*

## Definitions

- A Key Supporter is passionate about their interest areas of the GLAM (Gallery, Library, Archives, or Museum).
- A person or organization who will publicly support an initiative or BMPL as a whole.
- Every Key Supporter has a sphere of influence, be it person-to-person or political.
- A group of Key Supporters or brigade, can be a Reserve workforce for the organization and can be "called up" to take action when needed.
- Key Supporters actions can be overt or passive.
- All Key Supporters require coaching and Key Messages.
- Key Supporters carry a message, and are not contributors/donors for financial campaigns.



# The Difference Between Operational & Governance Supporters

## ● Operational Supporters

- Helps set-up chairs or break-down a room after an event.
- Hangs The Gallery exhibit art.
- Volunteers who call for late materials.
- Volunteers who transcribe archival materials.
- Individuals, families, and local businesses who spread the word about our services and programs.
- Check out books for their classrooms.

THESE ARE NOT KEY SUPPORTERS

## ● Governance Supporters

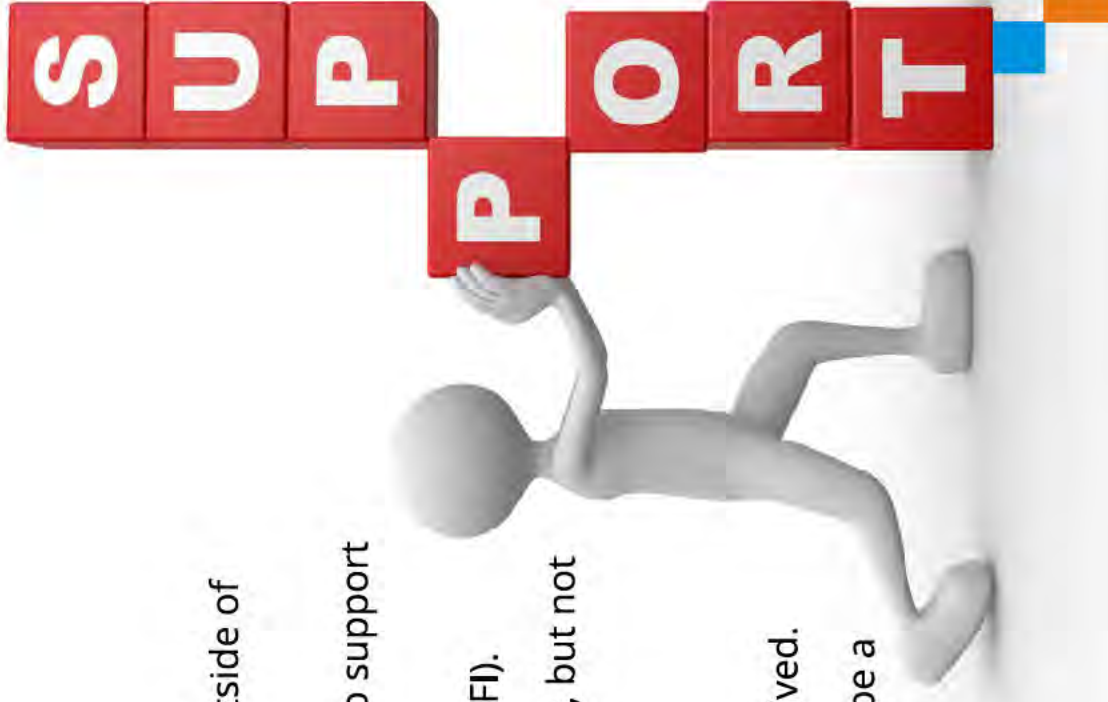
- Advocates for BMPL and our initiatives with messaging provided by the Board.
- Are mentored by the Board.
- Respond to calls to actions by the Board.
- Are in procession of the Boards messages pertaining to advocacy needs.

THESE ARE KEY SUPPORTERS



# Key Supporter Limitations

- As a NPO we may not use personal information for any reason outside of BMPL access to service and subscribed communication.
- There is no quid pro quo of access to service equaling obligation to support BMPL.
- We must adhere to MFIPPA, including Requests For Information (RFI).
- Partnering organizational mandates may allow for limited support, but not public support.
  - Personal time of individuals.
  - Capacity or training of individuals, be it real or perceived.
  - The best supporter, without correct messaging, can be a detriment to BMPL.





# Expression of Support

How can Key Supporters be used in BMPL Advocacy

## OVERT

- Make deputations to council.
- Attend and bring friends to council.
- Speak on behalf of BMPL at their own committees and volunteer groups.
- Carry a message to decision makers who may be unaware of community support for an initiative.
- Carry a message to organizations/social groups who are lacking our advocacy messages.
- Carry a message to their organizations/social groups who have historically not been supportive.

## PASSIVE

- Posts a lawn sign.
- Signs a petition.
- Wears a branded t-shirt.
- Carries BMPL swag.
- Speaks about BMPL to neighbours.
- Reposts/shares BMPL content online.



# Stop Light Analysis

The Stop Light Activity divides key supporters into 3 levels of support:

- **Green** - ready to act
- **Yellow** - fence sitters
- **Red** - unsupportive



# Green

- These individuals or organizations support BMPL currently.
- Some of these are overt (sit on committees, make deputations to Council) or passive (participate in our Strategic Plan, will put up a lawn sign).
- May not be active GLAM users.
- May not yet be prepared with proper messaging to take action on our behalf.
- Remember: Being ready to act without sanctioned messaging can be a detriment to BMPL.





# Yellow

- These individuals or organizations are "fence sitters", neither for nor against BMPL and our initiatives.
- May believe in the BMPL messages, but doesn't feel one voice can make a difference.
- A catalyst can move them in either direction.
- With some coaching and efforts they may sway in either direction. Who do we want to be the one that gives them their messaging?





# Red

- These individuals or organizations are passionate about their interests and will stand up for these beliefs.
- They believe our initiatives do not align with their interests.
- Often have an area of influence with decision makers or organizations/social groups that have community influence.
- These individuals or organizations often have pervasive voices in the community.



What Approach(es) Are Needed?

Common Approaches

Some Effect Needed

More Effect Needed

# Jamboard Activity

# What Are Our Local Relationships?





# Who Is Green?

EAST  
END

WEST  
END

ACC  
Members

Artists (former  
exhibitors)

Garden  
Club

Knitters

Events for  
Life

Home  
school  
Groups

Former  
MAC  
Members

New Blue Mountains  
Historical Society

Gallery

Creator  
Space

Blue  
Mountains  
Toastmasters  
Club

FOPL

Tom  
Tracy  
Strnad

Book  
Clubs

Seniors  
Exercise  
Group that  
meets at the  
Library every  
Wednesday

Farms &  
Workers

Marsh  
Street  
Painters  
Group

Amnesty

Beaver Valley  
Community  
School

OLA

useum

Life Long  
Learning

Grace  
United

Senior Focus  
Group  
Members  
(Strat  
Planning)

Grey County  
Task Force  
(displaced)

Citizen Forum  
members  
(Michael O.)

BEAVER  
VALLEY  
PROBUS  
CLUB

Families  
that walk  
the Trail

Wild Willow  
Studio Artist &  
Crafter group

Former  
Board  
members

Library  
Board  
Members

Rotary

Other  
Church  
members

Anglican  
Church  
Minister

## Who Is Yellow?

Cultural  
Corridor

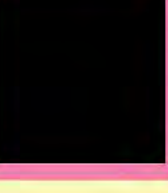
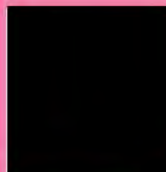
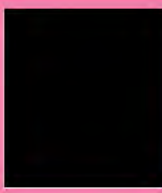
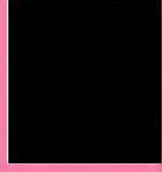
Windfall  
Condo  
Associations  
(East End)

Free  
Libraries  
in the  
area

Developers

Businesses

Book  
Clubs



Blue Mountain  
Village  
Association  
(BMVA)

Members of  
TBM  
Community  
Forum (former  
Citizen's  
Forum)

BVO

BIA

BMRA



## Who Is Red?

Historically  
Book stores  
(in  
competition  
with free  
services)

Blue Mountain  
Rate Payer  
Assoc. (BMRA)

those who  
don't  
understand  
that libraries  
are more than  
books

those they  
feel libraries  
are antiquated  
and outdated

Businesses who see  
libraries as children  
and not for  
professional needs



# The Power of Messaging



## A Red left unchecked

- Actively speaks against our initiative without understanding the purpose.
- May sway others.

## A Yellow without guidance

- The message with be filled by an opposing narrative.
- Doesn't know what/who to believe.
- Doesn't know how to take action.

## A Green without a message

- Spreading bad information.
- Good intentions, but may go rogue.
- They compromise BMPL advocacy efforts.
- Wasted opportunity.
- Not part of the team.
- Disenfranchised from Board advocacy.



# What Approach(es) Are Needed?

## Known Supporters

build  
relationships

arm with  
the  
message

mentor on  
how to  
advocate

speak to  
people  
where  
they are

Person who makes  
the approach should  
be the one with the  
closest personal  
connection.

## Some Effort Needed

build  
relationships

listen to  
concerns

educate  
on the  
message

Person who makes  
the approach should  
be the one with the  
closest personal  
connection.

## More Effort Needed

build  
relationships

listen to  
their  
argument

find  
common  
ground

address their  
concerns as a  
good intent

Person who makes  
the approach should  
be the one with the  
closest personal  
connection.





## **What is the Vision for Key Supporters Over the Next 12 Months?**

What outcomes will this Board achieve?

What needs to be in place for the incoming Board to immediately take action?





# The Blue Mountains Public Library Board

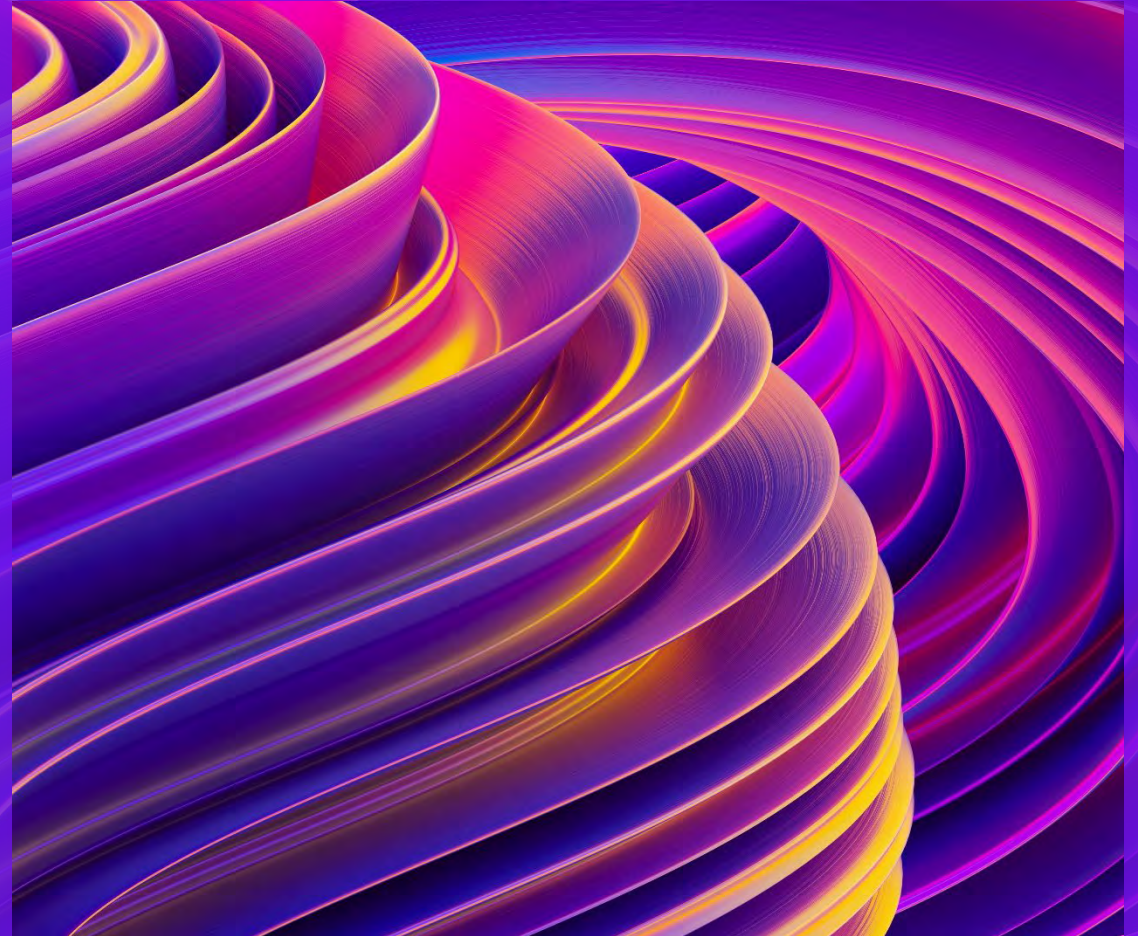
Audit Findings Report  
for the year ended  
December 31, 2023

*KPMG LLP*

Licensed Public Accountants

Prepared as of September 11, 2024 for presentation  
to the Library Board on September 19, 2024

[kpmg.ca/audit](https://kpmg.ca/audit)





# KPMG contacts

Key contacts in connection with this engagement



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# Table of contents

## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

<b>4</b>	<b>Highlights</b>	<b>5</b>	<b>Status</b>	<b>6</b>	<b>Materiality</b>	<b>8</b>	<b>Risks and results</b>
<b>11</b>	<b>Control deficiencies</b>	<b>12</b>	<b>Policies and practices</b>	<b>14</b>	<b>Specific topics</b>	<b>15</b>	<b>Independence</b>
<b>16</b>	<b>Appendices</b>						

The purpose of this report is to assist you, as a member of the Library Board, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, and the Board and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Audit highlights



No matters to report



Matters to report – see link for details

## Status

We have completed the audit of the financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.



## Materiality



Materiality



Materiality has been determined based on total expenses. We have determined total materiality to be \$32,000 (2022 - \$37,000).

## Risks and results



Significant risks



- Risk of management override of controls



Other risks of material misstatement



- Grant Revenue
- Related party transactions



Going concern matters

## Uncorrected misstatements



Uncorrected misstatements

The management representation letter includes all misstatements identified as a result of the audit, communicated to management.

## Corrected misstatements



Corrected misstatements

## Control deficiencies



Significant deficiencies



## Policies and practices & Specific topics



Significant unusual transactions



Accounting policies and practices



Other financial reporting matters



Specific topics







# Status

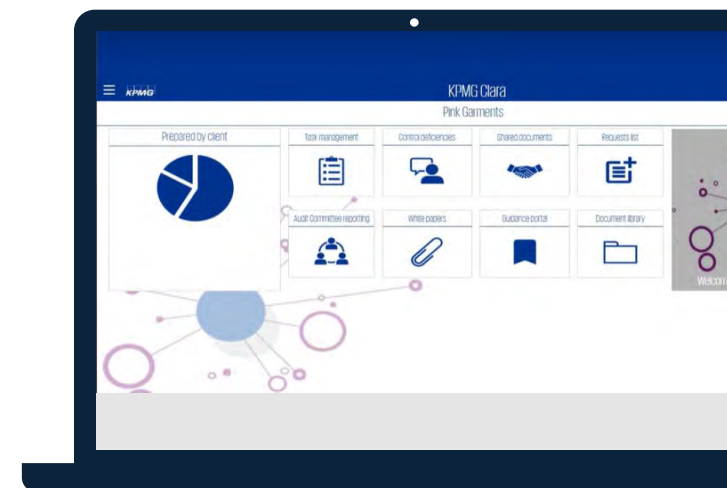
As of September 11, 2024, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Library Board
- Obtaining evidence of the Board of Director's approval of the financial statements
- Receipt of signed management representation letter

We will update the Library Board, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in Appendix: Draft Auditor's Report.

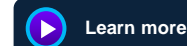
## KPMG Clara for Clients (KCfc)



### Real-time collaboration and transparency

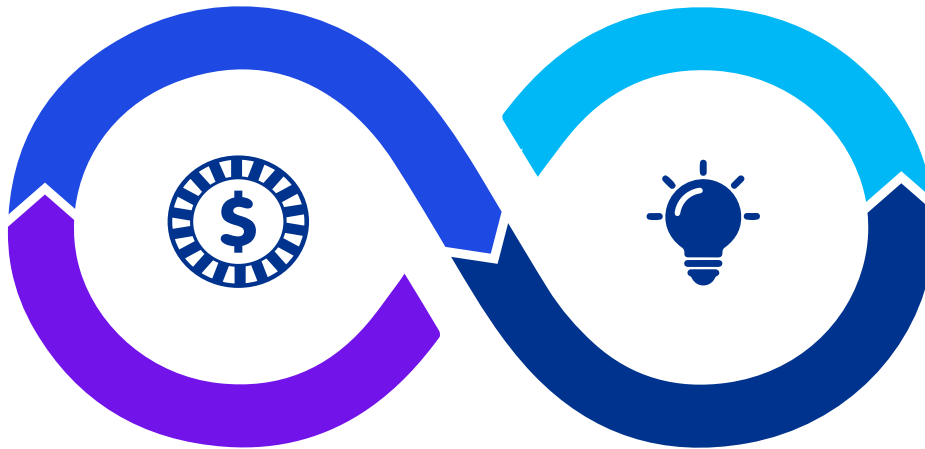
We leveraged **KCfc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

On our audit we used KCfc to coordinate all audit requests from management.





# Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

## Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

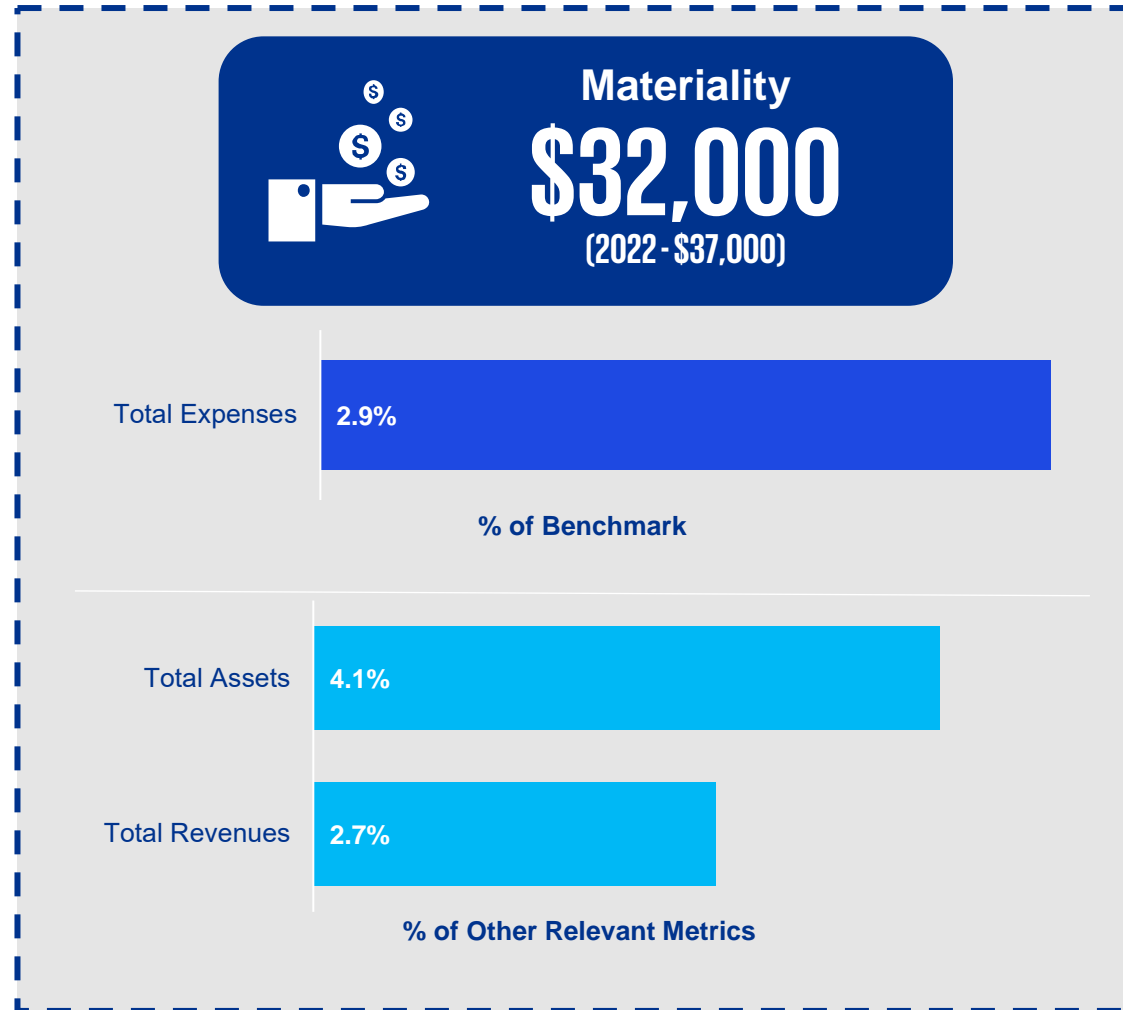
## Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



# Initial materiality



## Benchmark: Total Expenses

\$1,121,897

(2022: \$ 1,245,256)

## Audit Misstatement Posting Threshold (AMPT)

**\$1,600**

(2022 - \$1,850)

Threshold used to accumulate misstatements identified during the audit.



# Significant risks and results

We highlight our significant findings in respect of **significant risk**.



Management override of controls (non-rebuttable significant risk of material misstatement)

RISK OF  
  
 ERROR FRAUD

## Significant risk

## Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

## Our response

Our procedures performed included:

- Testing the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries;
- Using our Data & Analytics tool, IDEA Smart Analyzer, analyzing 100% of the journal entries posted during the year;
- We set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings; and
- We tested the process for critical accounting estimates, including performing a retrospective review of prior period estimates.

## Our findings

- We have not identified any specific additional risks of management override relating to this audit.
- There were no significant changes to management's process for making the critical accounting estimates and there were no indicators of possible management bias.
- No issues were noted in the performance of the above procedures.



# Significant risks and results

We highlight our significant findings in respect of **significant risk**.



Fraudulent revenue recognition (rebuttable significant risk of material misstatement)

RISK OF



ERROR



FRAUD

## Significant risk

## Estimate?

No

This is a presumed fraud risk of material misstatement under Canadian auditing standards.

Audit standards require us to assume there are generally pressures and incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition to meet internal targets and/or budgets. This can be perpetrated through revenue cut-off or manual journal entries and other adjustments related to revenue recognition.

We exercise professional judgement to rebut the presumed risk of fraud in revenue recognition after we consider and evaluate the facts and circumstances of the audit.

The risk of fraud from revenue recognition has been rebutted based on the nature of the revenues received by the Library which does not present significant incentives, opportunities, or rationalizations to commit fraud.

## Our response and findings

Despite our rebuttal to the fraud risk, revenue is still an area of focus in our audit and as such we have performed substantive procedures over all material sources of revenue.

See detailed procedures on page 10.





# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Grant Revenues

### Other risk of material misstatement

### Estimate?

A significant portion of the Library's revenue is associated with the receipt of grants which can fluctuate significantly year-over-year.

No

### Our response and findings

- We performed statistical sampling over grant revenue and reviewed the associated documents for a sample of transactions during the year. For samples selected, we have verified they have been recorded appropriately.
- No issues were noted as a result of the procedures performed.



## Related party transactions

### Other risk of material misstatement

### Estimate?

A significant portion of the Library's operations involve related parties.

No

### Our response and findings

- We confirmed all significant related party balances in order to ensure the balances were complete and accurate.
- No other issues were noted as a result of the procedures performed.



# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

**KPMG has not identified any significant control deficiencies as a result of our audit.**



# Accounting policies and practices



## Initial selection

The following new accounting policies and practices were selected and applied during the period.

- PSAS 3280 Asset Retirement Obligations
- PS 3450 Financial Instruments



## Revised

There were no changes to accounting policies and practices during the year, other than the above new accounting standards.



## Significant qualitative aspects

Material accounting policies or practices are disclosed in note 1 to the financial statements.

No matters to report.



# Other financial reporting matters

We also highlight the following:



**Financial statement presentation - form, arrangement, and content**



No matters to report.



**Concerns regarding application of new accounting pronouncements**



No matters to report.



**Significant qualitative aspects of financial statement presentation and disclosure**



No matters to report.





# Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
Illegal acts, including noncompliance with laws and regulations, or fraud	No matters to report.
Other information in documents containing the audited financial statements	No matters to report.
Significant difficulties encountered during the audit	No matters to report.
Difficult or contentious matters for which the auditor consulted	No matters to report.
Management's consultation with other accountants	No matters to report.
Disagreements with management	No matters to report.
Related parties	No matters to report.
Significant issues in connection with our appointment or retention	No matters to report.
Other matters that are relevant matters of governance interest	No matters to report.



# Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code<sup>1</sup> and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of compliance

We confirm that, as of the date of this communication, **we are independent** of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.



<sup>1</sup>International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

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# Appendix A: Draft auditor's report

# INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of The Blue Mountains

## ***Opinion***

We have audited the financial statements of The Blue Mountains Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our Auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue



as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

**DATE**



# Appendix B: Other required communications



## Engagement terms

A copy of the engagement letter has been provided to the Finance Committee. See Appendix C..



## CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2022 Interim Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)



# Appendix C: Engagement letter



**KPMG LLP**

120 Victoria Street South  
Suite 600  
Kitchener, ON N2G 0E1  
Canada  
Telephone 519 747 8800  
Fax 519 747 8811

**PRIVATE & CONFIDENTIAL**

Vicky Bouwman  
Acting Deputy Treasurer/Manager of  
Budgets & Accounting  
The Corporation of the Town of The Blue  
Mountains  
32 Mill Street  
PO Box 310  
Thornbury, Ontario N0H 2P0

June 10, 2024

The purpose of this letter is to outline the terms of our engagement for the Corporation of the Town of The Blue Mountains (the "Entity"), commencing for the periods ending December 31, 2023. We will issue reports on the financial statements of the Entity as follows:

	Entity	Report	Basis of Financial Statements
1	The Corporation of The Town of The Blue Mountains	Audit	Consolidated
2	Corporation of the Town of The Blue Mountains Trust Funds	Audit	
3	The Blue Mountains Public Library Board	Audit	
4	Thornbury Business Improvement Area	Audit	



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

This letter supersedes our previous letter to the Entity dated December 6, 2022.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Assurance Terms and Conditions and any exhibits, attachments and appendices hereto and subsequent amendments form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the "Engagement Letter").

### **FINANCIAL REPORTING FRAMEWORK FOR THE FINANCIAL STATEMENTS**

The annual financial statements will be prepared and presented in accordance with Canadian public sector accounting standards (hereinafter referred to as the "financial reporting framework").

The annual financial statements will include an adequate description of the financial reporting framework.

### **MANAGEMENT'S RESPONSIBILITIES**

**Management responsibilities are described in Appendix – Management's Responsibilities.**

An audit of the annual financial statements does not relieve management or those charged with governance of their responsibilities.

### **AUDITOR'S RESPONSIBILITIES**

Our responsibilities are described in Appendix – Auditor's Responsibilities.

If management does not fulfill the responsibilities above, we cannot complete our audit.

### **ADDITIONAL RESPONSIBILITIES REGARDING "OTHER INFORMATION"**

"Other information" is defined in professional standards to be the financial or non-financial information (other than the financial statements and the auditor's report thereon) included in the "annual report". An "annual report" is defined in professional standards to comprise a document or combination of documents. Professional standards also indicate that:

- an annual report is prepared typically on an annual basis in accordance with law, regulation or custom (i.e., is reoccurring)
- an annual report contains or accompanies the financial statements and the auditor's report thereon
- an annual report's purpose is to provide owners (or similar stakeholders) with information on the Entity's:
  - operations; and/or
  - financial results and financial position as set out in the financial statements.



*The Corporation of the Town of The Blue Mountains*  
*June 10, 2024*

Based on discussions with management, there are no documents, or combination of documents, expected to meet the definition of an "annual report" under professional standards.

#### **AUDITOR'S DELIVERABLES**

Unless otherwise specified, our report(s) will be in writing and the expected content of our report(s) are provided in *Appendix – Expected Form of Report*. However, there may be circumstances in which a report may differ from its expected form and content.

In addition, if we become aware of information that relates to the information we reported on after we have issued our report, but which was not known to us at the date of our report, and which is of such a nature and from such a source that we would have investigated that information had it come to our attention during the course of our engagement, we will, as soon as practicable: (1) communicate such an occurrence to those charged with governance; and (2) undertake an investigation to determine whether the information is reliable and whether the facts existed at the date of our report. Further, management agrees that in conducting that investigation, we will have the full cooperation of the Entity's personnel. If the subsequently discovered information is found to be of such a nature that: (a) our report would have been affected if the information had been known as of the date of our report; and (b) we believe that the report may have been distributed to someone who would attach importance to the information, appropriate steps will be taken by KPMG, and appropriate steps will also be taken by the Entity, to advise of the newly discovered facts and the impact to the information we reported on.

#### **INCOME TAX COMPLIANCE AND ADVISORY SERVICES**

Tax compliance and advisory services are outside the scope of this letter. These services will be subject to the terms and conditions of a separate engagement letter.

#### **USE OF KPMG CLARA FOR CLIENTS**

The terms and conditions for use of KPMG Clara for clients apply to the use of the collaboration tool and are available at [https://kcfcdocumentstore.blob.core.windows.net/documents/KCfc\\_terms\\_and\\_conditions%20Canada%20June%202024.pdf](https://kcfcdocumentstore.blob.core.windows.net/documents/KCfc_terms_and_conditions%20Canada%20June%202024.pdf).

#### **FEES**

The Entity and KPMG agree to a fee based on actual hours incurred at mutually agreed-upon rates. The estimated fee for the services described in this letter is \$45,300. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavour to notify you of any such circumstances as they are assessed.





*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

The adoption of the new accounting standards relating to asset retirement obligations, financial instruments, portfolio investments, financial statement presentation and foreign currency will be billed based on hours incurred at standard rates.

Harmonized Sales Tax (HST) will be computed and shown separately on our invoices, together with our firm's HST registration number, so that you will have the information required to claim input tax credits and input tax refunds, if applicable.

The Entity agrees, by accepting the terms of this engagement, to pay all invoices to KPMG upon receipt.

\* \* \* \* \*

We are available to provide a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.

We are proud to provide you with the services outlined above and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements and terms are acceptable to the Entity, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Brendan Hall, CPA, CA, BBA  
Partner, responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body  
519-747-8273

Enclosure



*The Corporation of the Town of The Blue Mountains*  
*June 10, 2024*

The terms of the engagement set out are as agreed:

*Vicky Bouwman*  
Vicky Bouwman, Acting Deputy Treasurer/Manager of Budgets & Accounting  
(having the appropriate authority to engage the Entity as defined above)

*12/06/24*  
Date (DD/MM/YY)



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

### **Appendix - Management's Responsibilities**

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework referred to above.
- (b) providing us with all information of which management is aware that is relevant to the preparation of the financial statements ("relevant information") such as financial records, documentation and other matters, including:
  - the names of all related parties and information regarding all relationships and transactions with related parties
  - complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors, and committees of the board of directors that may affect the financial statements. All significant actions are to be included in such summaries.
- (c) providing us with unrestricted access to such relevant information.
- (d) providing us with complete responses to all enquiries made by us during the engagement.
- (e) providing us with additional information that we may request from management for the purpose of the engagement.
- (f) providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence.
- (g) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (h) ensuring that all transactions have been recorded and are reflected in the financial statements.
- (i) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.
- (j) ensuring that internal auditors providing direct assistance to us, if any, will be instructed to follow our instructions and that management, and others within the entity, will not intervene in the work the internal auditors perform for us.





*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

## **Appendix - Auditor's Responsibilities**

Our function as auditors of the Entity is:

- to express an opinion on whether the Entity's annual financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above
- to report on the annual financial statements

We will conduct the audit of the Entity's annual financial statements in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entity and its environment, including the Entity's internal control. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks
- form an opinion on the Entity's annual financial statements based on conclusions drawn from the audit evidence obtained
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

## **Appendix - Expected Form of Report**

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of The Blue Mountains of The Corporation of the Town of The Blue Mountains

#### ***Opinion***

We have audited the financial statements of The Corporation of the Town of The Blue Mountains (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its remeasurement gains and losses, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Responsibilities of Management for the Financial Statements***

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



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

## **AUDIT ENGAGEMENTS**

### **Appendix - Expected Form of Report (continued)**

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





*The Corporation of the Town of The Blue Mountains*  
*June 10, 2024*

## **AUDIT ENGAGEMENTS**

### **Appendix - Expected Form of Report (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS (NON-LISTED COMPANY CLIENTS)

These Terms and Conditions are an integral part of the accompanying engagement letter or proposal from KPMG that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). The Engagement Letter supersedes all written or oral representations on this matter. The term "Entity" used herein has the meaning set out in the accompanying engagement letter or proposal. The term "Management" used herein means the management of Entity.

### 1. DOCUMENTS AND LICENSES.

- a. All working papers, files and other internal materials created or produced by KPMG in relation to this engagement and all copyright and intellectual property rights therein are the property of KPMG.
- b. Only in connection with the services herein, Entity hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all logos, trademarks and service marks of Entity solely for presentations or reports to Entity or for internal KPMG presentations and intranet sites. Further, Entity agrees that KPMG may list Entity as a customer in KPMG's internal and external marketing materials, including KPMG websites and social media, indicating the general services rendered (e.g., "Client is an Audit, Advisory, and/or Tax client of KPMG LLP").

### 2. ENTITY'S RESPONSIBILITIES.

- a. Entity agrees that all management responsibilities will be performed and all management decisions will be made by Entity, and not by KPMG.
- b. Entity's provision of documents and information to KPMG on a timely basis is an important factor in our ability to issue any reports under this Engagement Letter. KPMG is not responsible for any consequences arising from Entity's failure to deliver documents and information as required.
- c. To the extent that KPMG personnel are on Entity's premises, Entity will take all reasonable precautions for their safety.
- d. Entity understands and acknowledges that KPMG's independence may be impaired if any KPMG partner, employee or contractor accepts any offer of employment from Entity.
- e. Except as required by applicable law or regulation, Entity shall keep confidential the terms of this Engagement Letter, and such confidential information shall not be distributed, published or made available to any other person without KPMG's express written permission.
- f. Management agrees to promptly provide us with a copy of any comment letter or request for information issued by any securities or other regulatory authority in respect of information on which KPMG reported, including without limitation any continuous disclosure filings.

### 3. FEE AND OTHER ARRANGEMENTS.

- a. KPMG's estimated fee is based in part on the quality of Entity's records, the agreed-upon level of preparation and assistance from Entity's personnel, and adherence by Entity to the agreed-upon timetable. KPMG's estimated fee also assumes that Entity's financial statements and/or other financial information, as applicable, are prepared in accordance with the relevant financial reporting framework or the relevant criteria, as applicable, and that there are no significant changes to the relevant financial reporting framework or the relevant criteria, as applicable; no significant new or changed accounting policies; no significant changes to internal control; and no other significant issues.

b. Additional time may be incurred for such matters as significant issues, significant unusual and/or complex transactions, informing management about new professional standards, and any related accounting advice. Where these matters arise and require research, consultation and work beyond that included in the estimated fee, Entity and KPMG agree to revise the estimated fee. Our professional fees are also subject to an additional charge to cover information technology infrastructure costs and administrative support of our client service personnel. Disbursements for items such as travel, accommodation and meals will be charged based on KPMG's actual disbursements.

c. KPMG's invoices are due and payable upon receipt. In order to avoid the possible implication that unpaid fees might be viewed as creating a threat to KPMG's independence, it is important that KPMG's bills be paid promptly when rendered. If a situation arises in which it may appear that KPMG's independence is threatened because of significant unpaid bills, KPMG may be prohibited from signing any applicable report and/or consent.

d. Fees for any other services will be billed separately from the services described in this Engagement Letter and may be subject to written terms and conditions supplemental to those in the Engagement Letter.

e. Canadian Public Accountability Board ("CPAB") participation fees, when applicable, are charged to Entity based on the annual fees levied by CPAB.

### 4. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS; STORAGE AND USE OF INFORMATION.

a. KPMG is a member firm of the KPMG International Cooperative ("KPMG International"). Entity acknowledges that in connection with the provision of services hereunder, KPMG may use the services of KPMG International member firms, as well as other third party service providers or subcontractors, and KPMG shall be entitled to share with them all documentation and information related to the engagement, including Entity's confidential information and personal information ("information"). KPMG may also: (i) directly, or using such aforementioned KPMG International member firms, third party service providers or subcontractors, perform data analytics in respect of the information; and (ii) retain and disclose to KPMG International member firms the information to share best practices or for knowledge sharing purposes. In all such cases, such information may be used, retained, processed, or stored outside of Canada by such KPMG International member firms, other third party service providers or subcontractors, and may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG represents that such KPMG International member firms, other third party service providers or subcontractors have agreed or shall agree to conditions of confidentiality with respect to Entity's confidential information, and that KPMG is responsible to ensure their compliance with those conditions. Any services performed by KPMG International member firms or other third party service providers or subcontractors shall be performed in accordance with the terms of this Engagement Letter, but KPMG remains solely responsible to Entity for the delivery of the services hereunder. Entity agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms or other third party service providers or subcontractors referred to





## TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS (NON-LISTED COMPANY CLIENTS)

above.

b. Certain information (including information relating to time, billing and conflicts) collected by KPMG during the course of the engagement may be used, retained, processed and stored outside of Canada by KPMG, KPMG International member firms or third party service providers or subcontractors providing support services to KPMG for administrative, technological and clerical/organizational purposes, including in respect of client engagement acceptance procedures and maintaining engagement profiles; and to comply with applicable law, regulation or professional standards (including for quality performance reviews). Such information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG may also share information with its legal advisers and insurers for the purposes of obtaining advice.

c. Entity acknowledges that KPMG aggregates anonymous information from sources including the Entity for various purposes, including to monitor quality of service, and Entity consents to such use. KPMG may also use Entity's information to offer services that may be of interest to Entity.

### 5. PERSONAL INFORMATION CONSENTS AND NOTICES.

KPMG may be required to collect, use and disclose personal information about individuals during the course of the engagement. Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at [www.kpmg.ca](http://www.kpmg.ca). Entity represents and warrants that (i) it will obtain any consents required to allow KPMG to collect, use and disclose personal information in the course of the engagement, and (ii) it has provided notice to those individuals whose personal information may be collected, used and disclosed by KPMG hereunder of the potential processing of such personal information outside of Canada (as described in Section 4 above). KPMG's Privacy Officer noted in KPMG's privacy policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

### 6. THIRD PARTY DEMANDS FOR DOCUMENTATION AND INFORMATION / LEGAL AND REGULATORY PROCESSES.

a. Entity on its own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to acknowledge that KPMG or a foreign component auditor which has been engaged in connection with an assurance engagement ("component auditor") may from time to time receive demands from a third party (each, a "third party demand"), including without limitation (i) from CPAB or from professional, securities or other regulatory, taxation, judicial or governmental authorities (both in Canada and abroad), to provide them with information and copies of documents in KPMG's or the component auditor's files including (without limitation) working papers and other work-product relating to the affairs of Entity, its subsidiaries and affiliates, and (ii) summons for production of documents or information related to the services provided hereunder; which information and documents may contain confidential information of Entity, its subsidiaries or affiliates. Except where prohibited by law, KPMG or its component auditor, as applicable, will advise Entity or its affiliate or subsidiary of the third party demand. Entity acknowledges, and agrees to cause its subsidiaries and affiliates to acknowledge, that KPMG or its component auditor, as applicable, will produce documents and

provide information in response to the third party demand, without further authority from Entity, its subsidiaries or affiliates.

b. KPMG will use reasonable efforts to withhold from production any documentation or information over which Entity asserts privilege. Entity must identify any such documentation or information at the time of its provision to KPMG by marking it as "privileged". Notwithstanding the foregoing, where disclosure of such privileged documents is required by law, KPMG will disclose such privileged documents. If and only if the authority requires such access to such privileged documents pursuant to the laws of a jurisdiction in which express consent of Entity is required for such disclosure, then Entity hereby provides its consent.

c. Entity agrees to reimburse KPMG for its professional time and any disbursements, including reasonable legal fees and taxes, in responding to third party demands.

d. Entity waives and releases KPMG from any and all claims that it may have against KPMG as a result of any disclosure or production by KPMG of documents or information as contemplated herein.

e. Entity agrees to notify KPMG promptly of any request received by Entity from any third party with respect to the services hereunder, KPMG's confidential information, KPMG's advice or report or any related document.

### 7. CONNECTING TO THE ENTITY'S IT NETWORK; EMAIL AND ONLINE FILE SHARING AND STORAGE TOOLS.

a. Entity authorizes KPMG personnel to connect their computers to Entity's IT Network and the Internet via the Network while at the Entity's premises for the purpose of conducting normal business activities.

b. Entity recognizes and accepts the risks associated with communicating electronically, and using online file sharing, storage, collaboration and other similar online tools to transmit information to or sharing information with KPMG, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Entity assumes all responsibility or liability in respect of the risk associated with the use of the foregoing, and agrees that KPMG is not responsible for any issues that might arise (including loss of data) as a result of Entity using the foregoing to transmit information to or otherwise share information with KPMG and, in the case of online tools other than email, KPMG's access to and use of the same in connection with obtaining Entity information and documents.

### 8. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. SUBJECT TO SECTION 14, KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

### 9. LIMITATION ON LIABILITY AND INDEMNIFICATION.

a. Subject to Section 14: (i) Entity agrees that KPMG shall not be liable to Entity for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Claims") in any way arising out





**TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS  
(NON-LISTED COMPANY CLIENTS)**

of or relating to the services performed hereunder for an aggregate amount in excess of the lesser of one million dollars (\$1,000,000) or two times the fees paid by Entity to KPMG under the engagement; and (ii) on a multi-phase engagement, KPMG's liability shall be based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.

b. Subject to Section 14, in the event of a Claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Entity will indemnify and hold harmless KPMG from all such Claims, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.

c. Subject to Section 14: (i) in no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, liabilities, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs); (ii) in any Claim arising out of the engagement, Entity agrees that KPMG's liability will be several and not joint and several; and (iii) Entity may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.

d. For purposes of this Section 9, the term KPMG shall include its subsidiaries, its associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section 9 shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

**10. CONSENT TO THE USE OF THE KPMG NAME OR KPMG REPORT.**

Except as otherwise specifically agreed in this Engagement Letter, KPMG does not consent to:

- i. the use of our name or our report in connection with information, other than what we have reported on as part of this engagement letter or our report thereon, that contains, incorporates by reference, or otherwise accompanies our report or our name;
- ii. the use of our report in another language, or the use of our report in connection with information that we reported on that has been translated into another language, or the use of our name in connection with information that we reported on that has been translated into another language;
- iii. the use of our report in connection with an offering document or other securities filing, including continuous disclosure filings; or
- iv. the use of our name or our report in connection with the interim financial statements (or other interim financial information) to any statement by the Entity regarding the services that we provided on the interim financial statements or other interim financial information.

Any communication, report, statement or conclusion on the interim financial statements may not be included in, or otherwise referred to in any public document or public oral statements except when the interim review conclusion contains a modified conclusion, in which case our interim review report will accompany the interim financial statements.

If the Entity wishes to obtain KPMG's consent regarding the matters above or other matters not otherwise specifically covered by this Engagement Letter, we will be required to perform procedures as required by applicable professional standards, and such procedures would be a separate engagement and subject to

separate engagement terms.

**11. ALTERNATIVE DISPUTE RESOLUTION.**

Any dispute or claim between the parties arising under or relating to this Engagement Letter or the services provided hereunder (the "Dispute") shall be submitted to non-binding mediation. If mediation is not successful within 90 days after the issuance by a party of a request for mediation, then the Dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada in force at that time. The Seat of Arbitration shall be the province where KPMG's principal office performing this engagement is located. The language of the arbitration shall be English. The Arbitral Tribunal shall be made up of a single Arbitrator. The arbitration award shall be final, conclusive and binding upon the parties, and not subject to appeal.

**12. POTENTIAL CONFLICTS OF INTEREST.**

a. KPMG is or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that, without further notice or disclosure to Entity, KPMG may: (i) accept or continue such engagements on matters unrelated to KPMG's engagement for Entity; and (ii) provide advice or services to any other person or entity making a competing bid or proposal to that of Entity whether or not KPMG is providing advice or services to Entity in respect of Entity's competing bid or proposal.

b. In accordance with professional standards, KPMG will not use any confidential information regarding Entity in connection with its engagements with other clients, and will establish confidentiality and other safeguards to manage conflicts, which may include, in KPMG's sole discretion, the use of separate engagement teams and data access controls.

c. In no event shall KPMG be liable to Entity, or shall Entity be entitled to a return of fees or disbursements, or any other compensation whatsoever as a result of KPMG accepting or continuing a conflicting engagement in accordance with the terms of this Engagement Letter.

d. Entity agrees that KPMG may, in its sole discretion, disclose the fact and nature of its engagement for Entity to (i) KPMG International member firms to inform conflict searches, and (ii) to the extent reasonably required in order to obtain the consent of another entity or individual in order to permit KPMG to act for such entity or individual, or for Entity, in connection with the engagement or any future engagement.

e. In the event that circumstances arise that place KPMG into a conflict of interest as between Entity and a pre-existing client, which in KPMG's sole opinion cannot be adequately addressed through the use of confidentiality and other safeguards, KPMG shall be entitled to immediately terminate the engagement with Entity, without liability.

f. Other KPMG International member firms are or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that (i) it will not assert that other KPMG International member firms are precluded from being engaged by those other entities or individuals, and (ii) those engagements of other KPMG International member firms do not conflict with KPMG's engagement for Entity.

**13. LOBBYING.**

Unless expressly stated in this Engagement Letter, KPMG will not



**TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS  
(NON-LISTED COMPANY CLIENTS)**

---

undertake any lobbying activity, as that term is defined in all applicable federal, provincial and municipal lobbyist registration statutes and regulations, in connection with the engagement. In the event that KPMG and Entity agree that KPMG will undertake lobbying activity in connection with the engagement, such agreement shall be set out in an amendment to this Engagement Letter.

**14. SEVERABILITY.**

The provisions of these Terms and Conditions and the accompanying proposal or engagement letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of the provisions of these Terms and Conditions or the accompanying proposal or engagement letter are determined to be invalid, void or unenforceable, the remaining provisions of these Terms and Conditions or the accompanying proposal or engagement letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall remain valid and in effect and be enforceable and binding on the parties to the fullest extent permitted by law.

**15. GOVERNING LAW.**

This Engagement Letter shall be subject to and governed by the laws of the province where KPMG's principal office performing this engagement is located (without regard to such province's rules on conflicts of law).

**16. LLP STATUS.**

KPMG is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation.

**17. INDEPENDENT LEGAL ADVICE.**

Entity agrees that it been advised to retain independent legal advice at its own expense prior to signing this Engagement Letter (including without limitation with respect to Entity's rights in connection with potential future conflicts) and agrees that any failure on its part to retain such independent legal counsel shall not affect (and it shall not assert that the same affects) the validity of the provisions of this Engagement Letter.

**18. SURVIVAL.**

All sections hereof other than Section 7(a) shall survive the expiration or termination of the engagement.



# Appendix D: Management representation letter



**(Letterhead of Client)**

KPMG LLP  
120 Victoria Street South, Suite 600  
Kitchener, ON N2G 2B3

September 19, 2024

We are writing at your request to confirm our understanding that your audits were for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of The Town of Blue Mountains Library Board (“the Entity”) as at and for the periods ended December 31, 2023.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

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

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated June 10, 2024, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

*Internal control over financial reporting:*

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

*Subsequent events:*

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

*Related parties:*

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

*Estimates:*

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

*Going concern:*

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

*Misstatements:*

- 1) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

*Non-SEC registrants or non-reporting issuers:*

- 2) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 3) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

*Approval of financial statements:*

- 4) Michael Switzer has the recognized authority to take, and has taken, responsibility for the financial statements.

Yours very truly,

---

Michael Switzer, Deputy Treasurer/Manager of Budgets & Accounting



## **Attachment I – Definitions**

### *Materiality*

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### *Fraud & error*

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

***Attachment II – Summary of Uncorrected Audit Misstatements Schedule***

Presented in \$	Income effect	Financial position		
Description of individually significant misstatements	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Net Assets (Decrease) Increase
To reverse the current year impacts of a donation recorded in FY23 rather than FY22.	(\$3,000)	-	-	-
<b>Total uncorrected misstatements</b>	<b>(\$3,000)</b>	-	-	-



# Appendix E: Audit quality - How do we deliver audit quality?

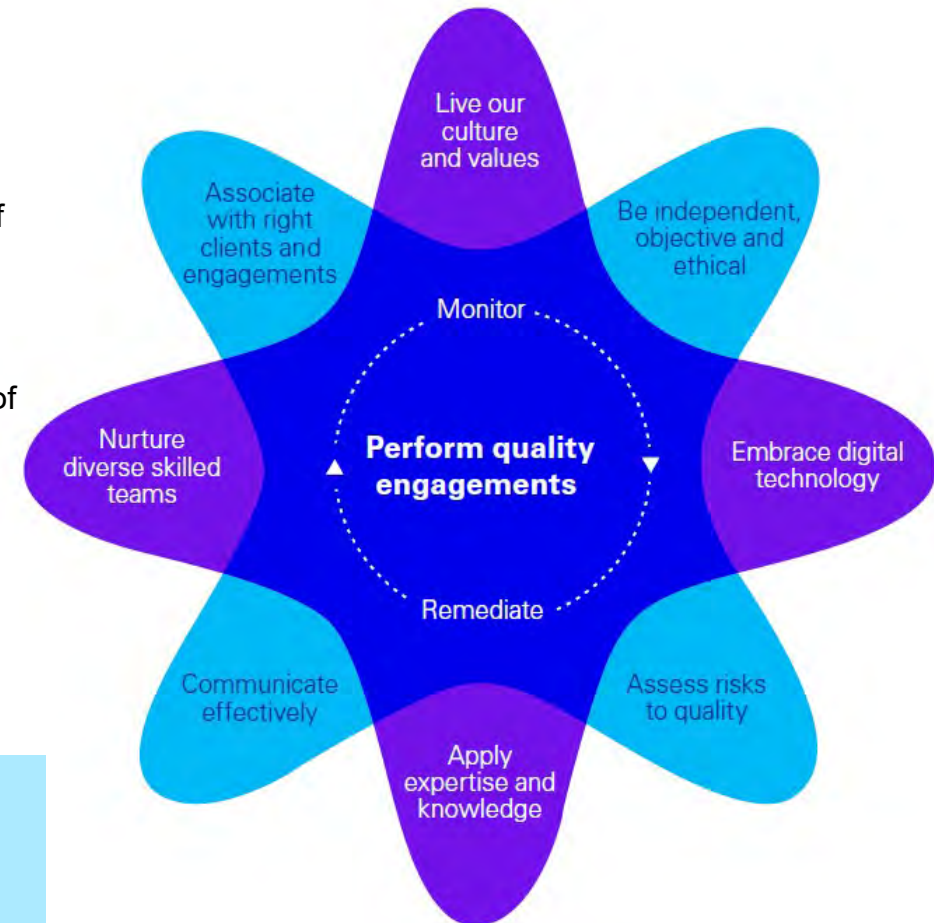
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**





# Appendix F: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards – see Current Developments



Effective for periods beginning on or after December 15, 2022

## ISA/CAS 220

.....  
(Revised) Quality management for an audit of financial statements

## ISQM1/CSQM1

.....  
Quality management for firms that perform audits or reviews of financial statements or other assurance or related services engagements

## ISQM2/CSQM2

.....  
Engagement quality reviews



# Appendix G: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

## Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

## Accelerate 2023

The key issues driving the audit committee agenda in 2023.

## Momentum

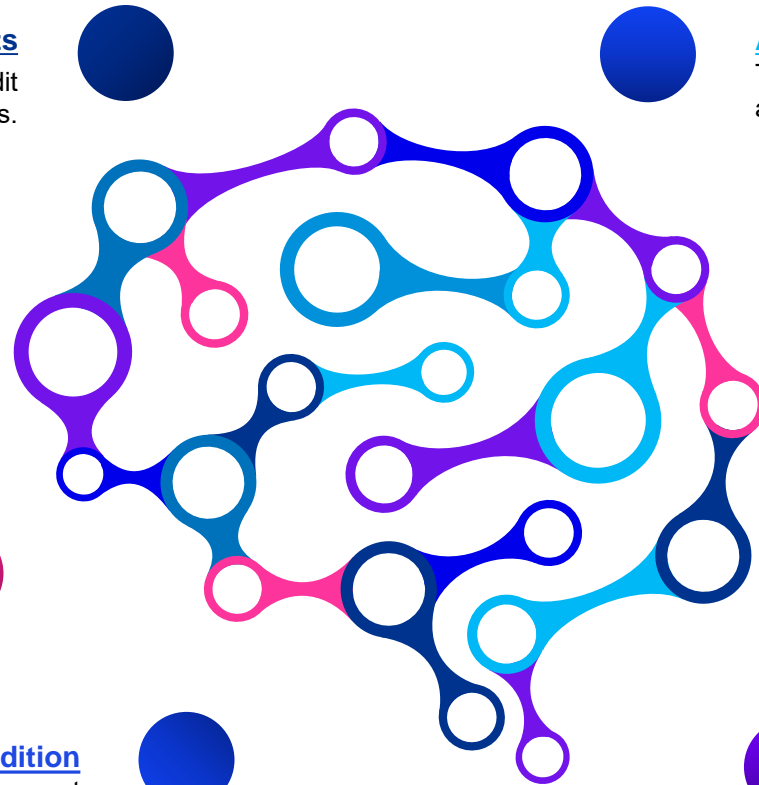
A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

## KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

## IFRS Breaking News

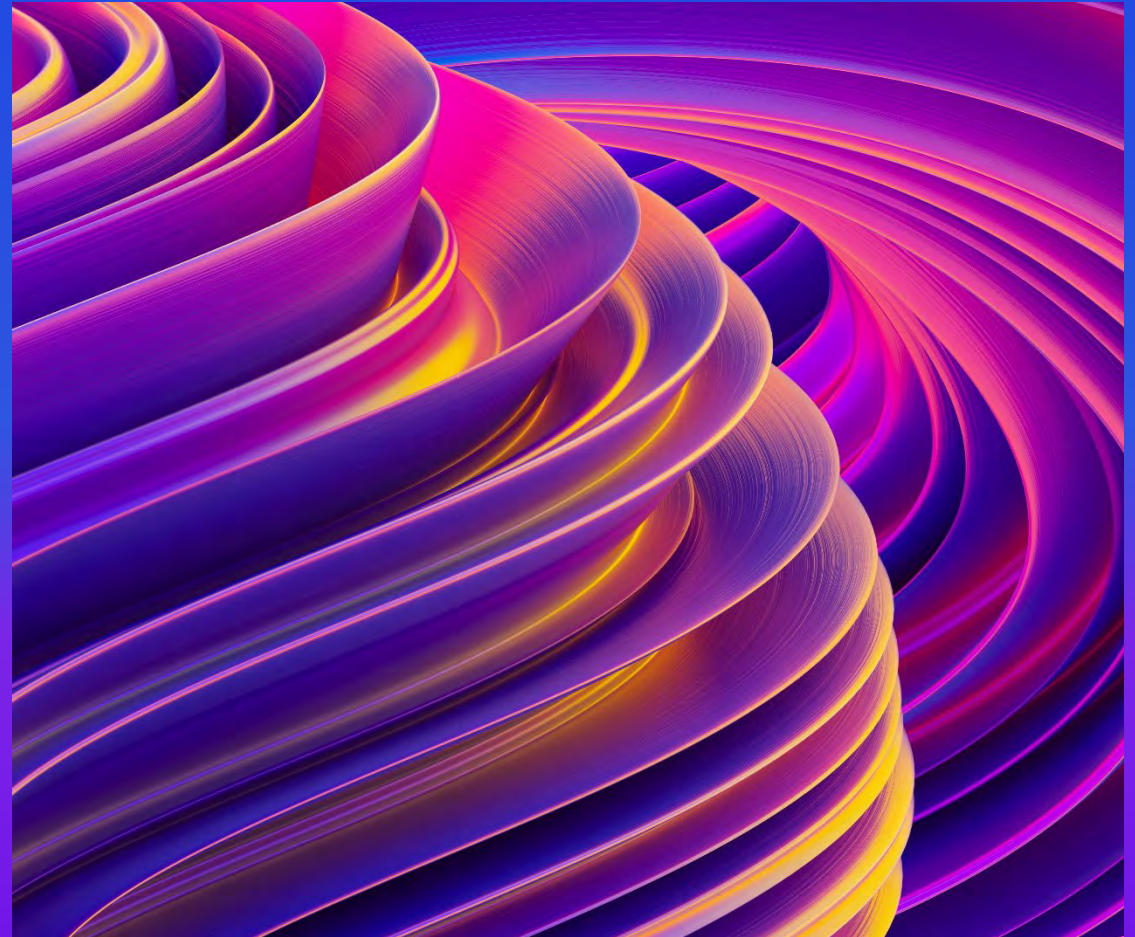
A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.





<https://kpmg.com/ca/en/home.html>

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## Board Meeting

**Report To:** The Blue Mountains Public Library Board  
**Report Name:** FIN.23.04 Finance Report of Q1 2023  
**Date:** June 16, 2023  
**Prepared by:** Dr. Sabrina Saunders, CEO

---

### A. Recommendations

THAT this Board receive as information the Finance Report of Quarter 1 (Q1) 2023.

### B. Background

The BMPL Board receives financial variance reports between the budget and actuals quarterly. This document is representative of the period ending on March 31, 2023 (1<sup>st</sup> Quarter) and based on the financial statements provided to the Treasurer by the TBM financial services staff.

### C. One Time Funding

This fiscal was provided with a one-time funding allotment for wages, based on the Salary Study implications to the BMPL Budget. The \$160,468.00 was provided by Council to assist in the gap year; however due to retirements, maternity leaves, and reconfiguration of multiple part-time positions into full-time positions, we were able to save a significant portion of these funds. As of the Q4 report the balance in wages, approximately \$66,000 will be rolled over.

### D. Grants

BMPL has again applied for a number of staffing grants for summer students and youth interns. Two interns totaling 1470 hours and \$23,117.12 federal contribution will be hired over the summer 2023 and work at both LES (16 weeks) and the Museum (26 weeks). One grant position is still being considered by the funder.

### E. Concerns

There are no concerns for 2023 at this time. Most pricing of materials is on target for our audit and wages are a known amount. With the possibility of an increase in Strategic Activity, such as consultation on a Capital Build in Craighleith, we will need to consider reallocation of funds as we have \$1,500 in this budget which was for one to two Town Halls with promotion and refreshments. A more comprehensive consultation could be completed in-house for closer to \$5,000. We can access our reserve fund which is the Land Reserve Fund for this purpose, re-allocate funds within the budget (e.g. from the \$4,000 Board budget), or request Council permission to complete this work using the Development Charges, of which consultation for Needs Assessment qualify.

**F. Current Standing of the Accounts and Funds**

Held By	Asset	Location	Status
Board	<b>Open Reserve</b>	Savings	\$2,690.14 <i>\$126,250.20 Expected from TBM</i>
Board	<b>Designated Reserve</b>	Savings	<i>\$111,449.80 Expected from TBM</i>
Board	<b>Land Reserve Fund</b>	Savings	\$108,861.30
Board	<b>Land Reserve Fund</b>	Investment	\$17,191.38 [Next maturity October 23, 2023] 2.4% interest
Council	<b>Development Charge</b>	DC Act Town Lined Account	\$2,717,637.00 as at Dec 2022
Council	<b>Capital Expansion Reserve</b>	Town Lined Account	\$2,890.57 Feasibility Study/Space Plan(s) balance available for engineering, consultation, legal pertaining to expansion.
CEO	<b>CHD Reserve</b>	Town Lined Account	\$26,680 Collection Reserve \$15,790 Fundraising Reserve as at Dec 2022
Council	<b>Library Legacy Reserve Fund</b>	BL 2003-55  Town Lined Account	\$22,693.36 as at Dec 31, 2020  Limited for TBM needs such as BMPL IT.

1. Board accounts are held by the Board in High Interest Savings or invested per MTCS directions. All other funds are located in Town accounts.
2. BL Council held reserves require a recommendation resolution by the Board to access funds.
3. Town lined accounts are administrative and therefore require CEO authority when accessing within budget.

**G. High Interest vs GIC**

---

In March we presented to the Board the interest to retain our funds in a high interest savings account versus a GIC as we were making more via savings. With interest on investments increasing, at this time the Board may wish to move reserves to GICs.

**H. Variance as at March 31, 2023**

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The March 31 Budget Variance Report (Q1) is attached.

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Respectfully Submitted,

Dr. Sabrina Saunders, CEO  
[LibraryCEO@TheBlueMountains.ca](mailto:LibraryCEO@TheBlueMountains.ca)  
519-599-3681 extension 148



# CONSOLIDATED Balance Variance Report -- Q1 2023

Blue Mountains Public Library as at March 31, 2023

	No.	YTD	Budget 2022	Variance Spent	Variance Balance
EXPENSES	No.	YTD	Budget 2022	Variance Spent	Variance Balance
Staffing		\$ 203,374.81	\$ 1,014,657.94	20%	\$ 811,283.13
Administrative		\$ 5,209.67	\$ 19,950.00	26%	\$ 14,740.33
General Operating		\$ 13,645.35	\$ 54,550.00	25%	\$ 40,904.65
Communications		\$ 992.52	\$ 6,525.00	15%	\$ 5,532.48
Training & Travel		\$ 3,573.88	\$ 11,680.00	31%	\$ 8,106.12
Personnel		\$ -	\$ 4,000.00	0%	\$ 4,000.00
Equipment Services		\$ 1,617.18	\$ 15,160.00	11%	\$ 13,542.82
Purchased Services		\$ -	\$ 3,500.00	0%	\$ 3,500.00
Financial Services		\$ 128.07	\$ 2,805.00	5%	\$ 2,676.93
Minor Capital		\$ 150.99	\$ 2,400.00	6%	\$ 2,249.01
<b>TOTAL EXPENSES</b>		<b>\$ 228,692.47</b>	<b>\$ 1,135,227.94</b>	<b>20%</b>	<b>\$ 906,535.47</b>

Revenue	No.	YTD	Budget 2022	Variance Received	Variance Unrealized
Federal Grants	53005	\$ -	\$ 35,054.31	0%	\$ 35,054.31
Provincial Grants	53010	\$ 1,136.00	\$ 23,371.00	5%	\$ 22,235.00
Municipal Grants	53015	\$ 244,147.04	\$ 1,110,918.00	22%	\$ 866,770.96
Donations	53020	\$ 82.25	\$ 2,500.00	3%	\$ 2,417.75
Own Source		\$ 1,473.98	\$ 1,500.48	98%	\$ 26.50
Commissions	55720	\$ 402.25	\$ 2,500.00	16%	\$ 2,097.75
Capital Roll Over		\$ -	\$ 64,411.80	0%	\$ 64,411.80
Strat Plan Roll Over		\$ -	\$ -	0%	\$ -
Reserves / Roll Over		\$ -	\$ 47,038.00	0%	\$ 47,038.00
<b>TOTAL REVENUE</b>		<b>\$ 247,241.52</b>	<b>\$ 1,287,293.59</b>	<b>19%</b>	<b>\$ 1,040,052.07</b>

Capital	No.	YTD	Budget 2022	Variance Spent	Variance Balance
Books	62051	\$ 9,797.69	\$ 58,860.00	17%	\$ 49,062.31
Replacement Furniture & Software	64016	\$ -	\$ 60,000.00	0%	\$ 60,000.00
	64004	\$ -	\$ 2,500.00	0%	\$ 2,500.00
Replacement Equipment	64011	\$ 4,375.68	\$ 10,000.00	44%	\$ 5,624.32
Contract Services	63125	\$ 4,375.68	\$ 6,411.80	68%	\$ 2,036.12
<b>TOTAL EXPENSES</b>		<b>\$ 18,549.05</b>	<b>\$ 137,771.80</b>	<b>129%</b>	<b>\$ 119,222.75</b>

Strategic Plan	No.	YTD	Budget 2022	Variance Spent	Variance Balance
Administrative		\$ -	\$ 1,500.00	0%	\$ 1,500.00
Communications		\$ -	\$ -	0%	\$ -
<b>TOTAL EXPENSES</b>		<b>\$ -</b>	<b>\$ 1,500.00</b>	<b>0%</b>	<b>\$ 1,500.00</b>



# The Blue Mountains Public Library Board

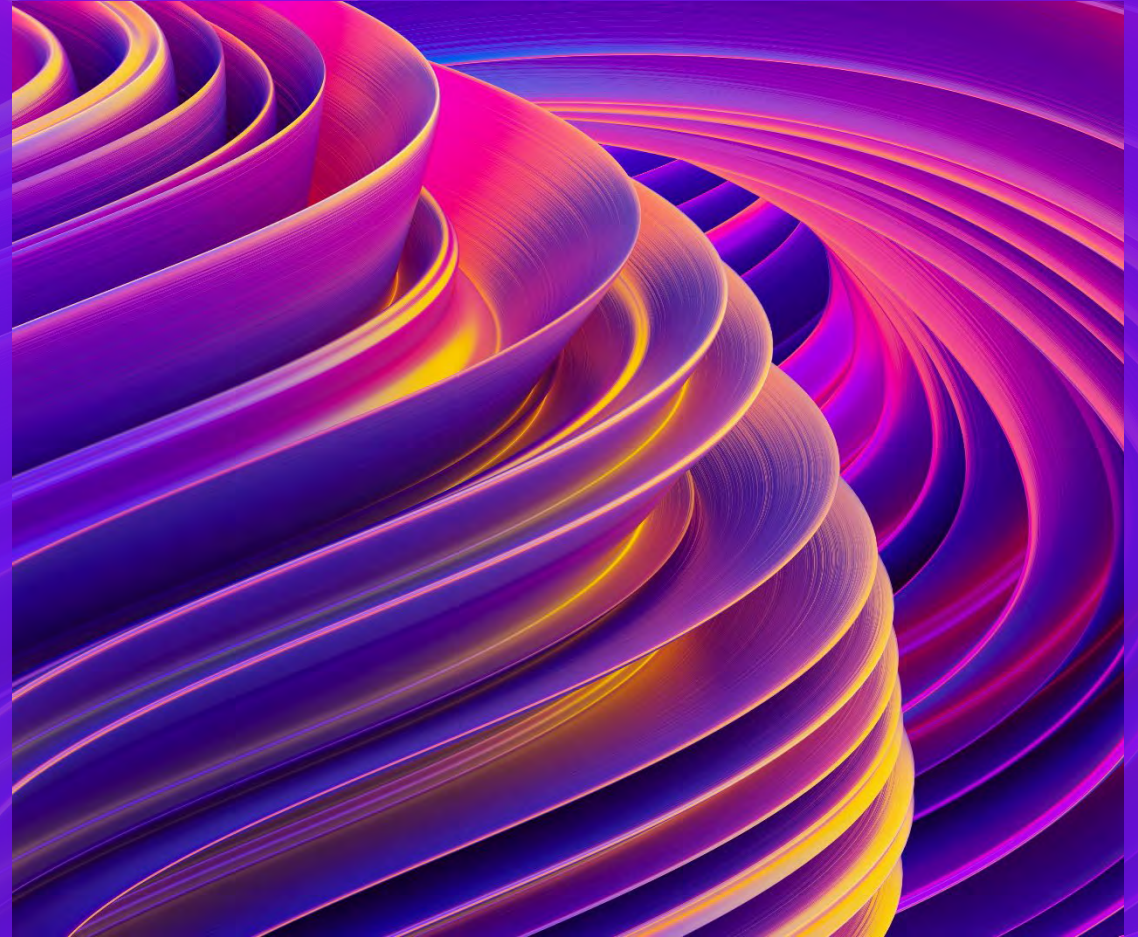
Audit Findings Report  
for the year ended  
December 31, 2023



Licensed Public Accountants

Prepared as of September 11, 2024 for presentation  
to the Library Board on September 19, 2024

[kpmg.ca/audit](https://kpmg.ca/audit)





# KPMG contacts

Key contacts in connection with this engagement



**Brendan Hall, CPA, CA**

Lead Audit Engagement Partner

Tel: 519-747-8273

[bdhall@kpmg.ca](mailto:bdhall@kpmg.ca)



**Sarah Clayton, CPA**

Audit Senior Manager

519-747-6572

[slclayton@kpmg.ca](mailto:slclayton@kpmg.ca)



# Table of contents

## Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

<b>4</b>	<b>Highlights</b>	<b>5</b>	<b>Status</b>	<b>6</b>	<b>Materiality</b>	<b>8</b>	<b>Risks and results</b>
<b>11</b>	<b>Control deficiencies</b>	<b>12</b>	<b>Policies and practices</b>	<b>14</b>	<b>Specific topics</b>	<b>15</b>	<b>Independence</b>
<b>16</b>	<b>Appendices</b>						

The purpose of this report is to assist you, as a member of the Library Board, in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, and the Board and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Audit highlights



No matters to report



Matters to report – see link for details

## Status

We have completed the audit of the financial statements (“financial statements”), with the exception of certain remaining outstanding procedures, which are highlighted on the ‘Status’ slide of this report.



## Materiality



Materiality



Materiality has been determined based on total expenses. We have determined total materiality to be \$32,000 (2022 - \$37,000).

## Risks and results



Significant risks



- Risk of management override of controls



Other risks of material misstatement



- Grant Revenue
- Related party transactions



Going concern matters

## Uncorrected misstatements



Uncorrected misstatements

The management representation letter includes all misstatements identified as a result of the audit, communicated to management.

## Corrected misstatements



Corrected misstatements

## Control deficiencies



Significant deficiencies



## Policies and practices & Specific topics



Significant unusual transactions



Accounting policies and practices



Other financial reporting matters



Specific topics





# Status

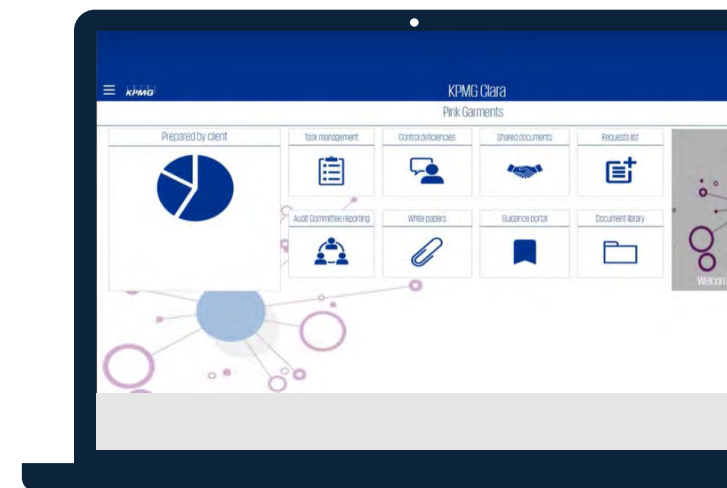
As of September 11, 2024, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completing our discussions with the Library Board
- Obtaining evidence of the Board of Director's approval of the financial statements
- Receipt of signed management representation letter

We will update the Library Board, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

A draft of our auditor's report is provided in Appendix: Draft Auditor's Report.

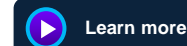
## KPMG Clara for Clients (KCfc)



### Real-time collaboration and transparency

We leveraged **KCfc** to facilitate real-time collaboration with management and provide visual insights into the status of the audit!

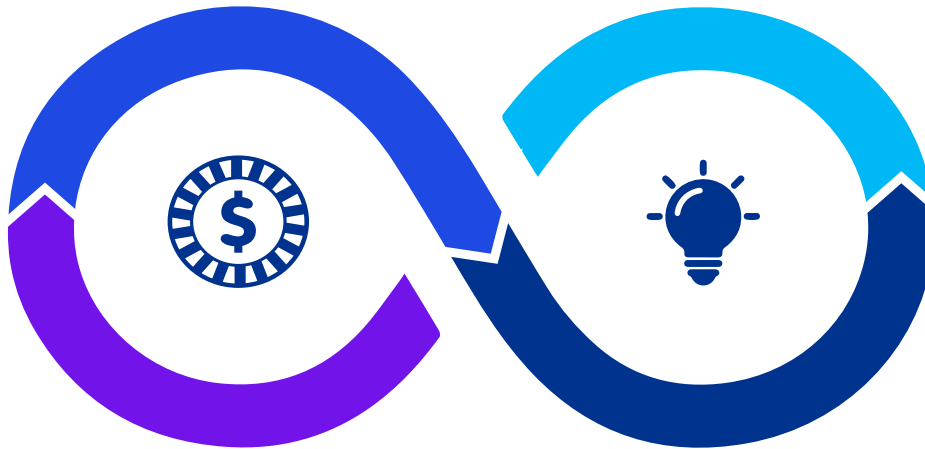
On our audit we used KCfc to coordinate all audit requests from management.







# Materiality



We **initially determine materiality** at a level at which we consider that misstatements could reasonably be expected to influence the economic decisions of users. Determining materiality is a matter of **professional judgement**, considering both quantitative and qualitative factors, and is affected by our perception of the common financial information needs of users of the financial statements as a group. We do not consider the possible effect of misstatements on specific individual users, whose needs may vary widely.

We **reassess materiality** throughout the audit and revise materiality if we become aware of information that would have caused us to determine a different materiality level initially.

## Plan and perform the audit

We **initially determine materiality** to provide a basis for:

- Determining the nature, timing and extent of risk assessment procedures;
- Identifying and assessing the risks of material misstatement; and
- Determining the nature, timing, and extent of further audit procedures.

We design our procedures to detect misstatements at a level less than materiality in individual accounts and disclosures, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

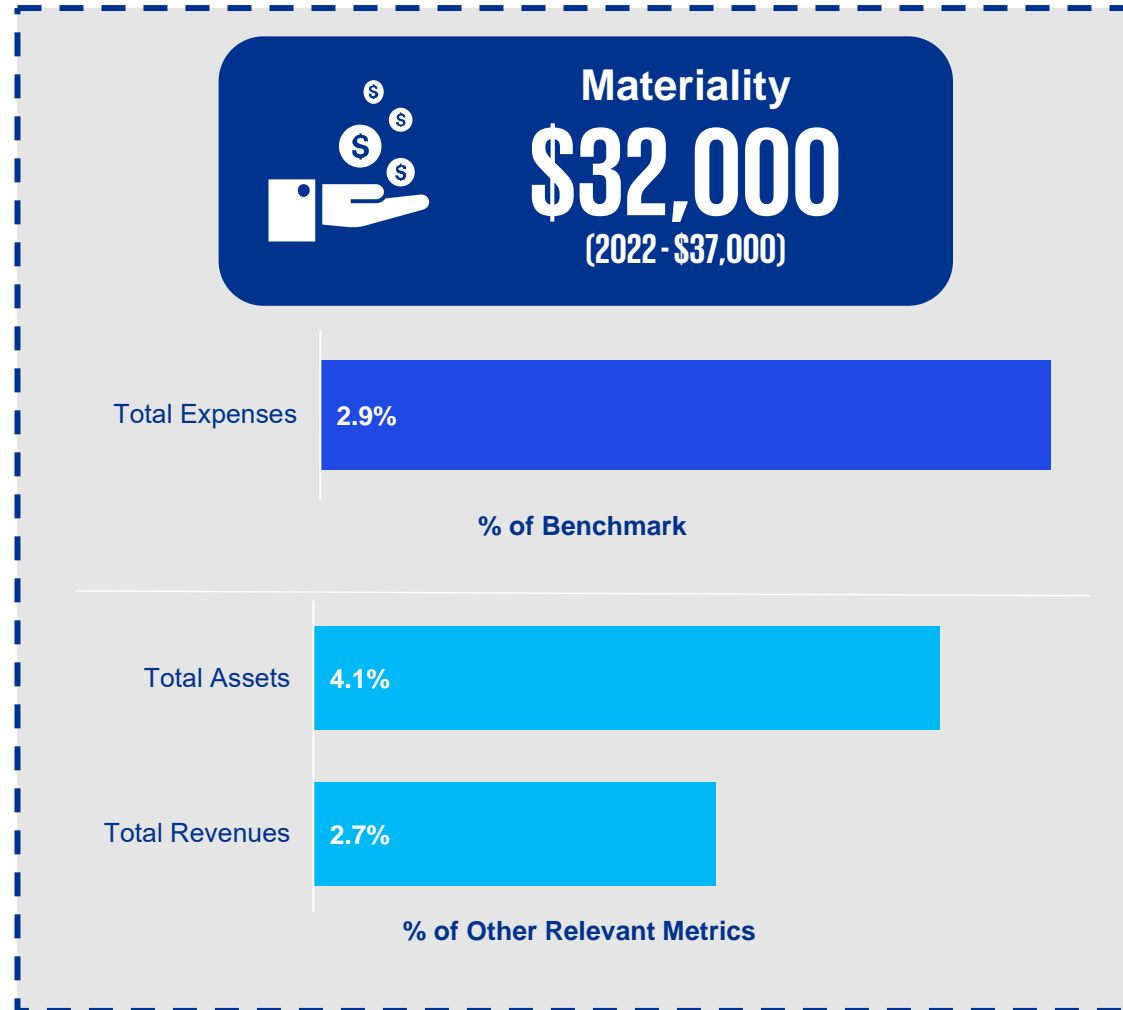
## Evaluate the effect of misstatements

We also **use materiality** to evaluate the effect of:

- Identified misstatements on our audit; and
- Uncorrected misstatements, if any, on the financial statements and in forming our opinion.



# Initial materiality



## Benchmark: Total Expenses

\$1,121,897

(2022: \$ 1,245,256)

## Audit Misstatement Posting Threshold (AMPT)

**\$1,600**

(2022 - \$1,850)

Threshold used to accumulate misstatements identified during the audit.



# Significant risks and results

We highlight our significant findings in respect of **significant risk**.



Management override of controls (non-rebuttable significant risk of material misstatement)

RISK OF



ERROR



FRAUD

## Significant risk

## Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

## Our response

Our procedures performed included:

- Testing the design and implementation of controls surrounding the review of journal entries, and the business rationale for significant entries;
- Using our Data & Analytics tool, IDEA Smart Analyzer, analyzing 100% of the journal entries posted during the year;
- We set specific criteria to isolate high risk journal entries and adjustments in order to analyze for further insights into our audit procedures and findings; and
- We tested the process for critical accounting estimates, including performing a retrospective review of prior period estimates.

## Our findings

- We have not identified any specific additional risks of management override relating to this audit.
- There were no significant changes to management's process for making the critical accounting estimates and there were no indicators of possible management bias.
- No issues were noted in the performance of the above procedures.





# Significant risks and results

We highlight our significant findings in respect of **significant risk**.



Fraudulent revenue recognition (rebuttable significant risk of material misstatement)

RISK OF



ERROR



FRAUD

## Significant risk

## Estimate?

No

This is a presumed fraud risk of material misstatement under Canadian auditing standards.

Audit standards require us to assume there are generally pressures and incentives on management to commit fraudulent financial reporting through inappropriate revenue recognition to meet internal targets and/or budgets. This can be perpetrated through revenue cut-off or manual journal entries and other adjustments related to revenue recognition.

We exercise professional judgement to rebut the presumed risk of fraud in revenue recognition after we consider and evaluate the facts and circumstances of the audit.

The risk of fraud from revenue recognition has been rebutted based on the nature of the revenues received by the Library which does not present significant incentives, opportunities, or rationalizations to commit fraud.

## Our response and findings

Despite our rebuttal to the fraud risk, revenue is still an area of focus in our audit and as such we have performed substantive procedures over all material sources of revenue.

See detailed procedures on page 10.



# Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



## Grant Revenues

### Other risk of material misstatement

### Estimate?

A significant portion of the Library's revenue is associated with the receipt of grants which can fluctuate significantly year-over-year.

No

### Our response and findings

- We performed statistical sampling over grant revenue and reviewed the associated documents for a sample of transactions during the year. For samples selected, we have verified they have been recorded appropriately.
- No issues were noted as a result of the procedures performed.



## Related party transactions

### Other risk of material misstatement

### Estimate?

A significant portion of the Library's operations involve related parties.

No

### Our response and findings

- We confirmed all significant related party balances in order to ensure the balances were complete and accurate.
- No other issues were noted as a result of the procedures performed.



# Control deficiencies

## Consideration of internal control over financial reporting (ICFR)

In planning and performing our audit, we considered ICFR relevant to the Entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

## A deficiency in internal control over financial reporting

A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

## Significant deficiencies in internal control over financial reporting

A deficiency, or a combination of deficiencies, in internal control over financial reporting that, in our judgment, is important enough to merit the attention of those charged with governance.

**KPMG has not identified any significant control deficiencies as a result of our audit.**





# Accounting policies and practices



## Initial selection

The following new accounting policies and practices were selected and applied during the period.

- PSAS 3280 Asset Retirement Obligations
- PS 3450 Financial Instruments



## Revised

There were no changes to accounting policies and practices during the year, other than the above new accounting standards.



## Significant qualitative aspects

Material accounting policies or practices are disclosed in note 1 to the financial statements.

No matters to report.



# Other financial reporting matters

We also highlight the following:



**Financial statement presentation - form, arrangement, and content**



No matters to report.



**Concerns regarding application of new accounting pronouncements**



No matters to report.



**Significant qualitative aspects of financial statement presentation and disclosure**



No matters to report.



# Specific topics

We have highlighted the following that we would like to bring to your attention:

Matter	Finding
Illegal acts, including noncompliance with laws and regulations, or fraud	No matters to report.
Other information in documents containing the audited financial statements	No matters to report.
Significant difficulties encountered during the audit	No matters to report.
Difficult or contentious matters for which the auditor consulted	No matters to report.
Management's consultation with other accountants	No matters to report.
Disagreements with management	No matters to report.
Related parties	No matters to report.
Significant issues in connection with our appointment or retention	No matters to report.
Other matters that are relevant matters of governance interest	No matters to report.





# Independence

As a firm, we are committed to being and being seen to be independent. We have strict rules and protocols to maintain our independence that meet or exceed those of the IESBA Code<sup>1</sup> and CPA Code. The following are the actions or safeguards applied to reduce or eliminate threats to an acceptable level:



Dedicated ethics & independence partners



Process for reporting breaches of professional standards and policy, and documented disciplinary policy



Ethics, independence and integrity training for all staff



International proprietary system used to evaluate and document threats to independence and those arising from conflicts of interest



Operating policies, procedures and guidance contained in our quality & risk management manual



Mandated procedures for evaluating independence of prospective audit clients



Restricted investments and relationships



Annual ethics and independence confirmation for staff

## Statement of compliance

We confirm that, as of the date of this communication, **we are independent** of the Library in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada.



<sup>1</sup>International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)

# Appendices

**A**

Draft auditors' report

**B**

Other required communications

**C**

Engagement letter

**D**

Management's representation letter

**E**

Audit quality

**F**

New auditing standards

**G**

Insights





# Appendix A: Draft auditor's report



## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of The Blue Mountains

### ***Opinion***

We have audited the financial statements of The Blue Mountains Public Library Board (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor’s Responsibilities for the Audit of the Financial Statements***” section of our Auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

**DATE**





# Appendix B: Other required communications



## Engagement terms

A copy of the engagement letter has been provided to the Finance Committee. See Appendix C..



## CPAB communication protocol

The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committees and other stakeholders about the results of quality inspections conducted over the past year:

- [CPAB Audit Quality Insights Report: 2022 Interim Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2022 Annual Inspections Results](#)
- [CPAB Audit Quality Insights Report: 2023 Interim Inspections Results](#)



# Appendix C: Engagement letter

**KPMG LLP**

120 Victoria Street South  
Suite 600  
Kitchener, ON N2G 0E1  
Canada  
Telephone 519 747 8800  
Fax 519 747 8811

**PRIVATE & CONFIDENTIAL**

Vicky Bouwman  
Acting Deputy Treasurer/Manager of  
Budgets & Accounting  
The Corporation of the Town of The Blue  
Mountains  
32 Mill Street  
PO Box 310  
Thornbury, Ontario N0H 2P0

June 10, 2024

The purpose of this letter is to outline the terms of our engagement for the Corporation of the Town of The Blue Mountains (the "Entity"), commencing for the periods ending December 31, 2023. We will issue reports on the financial statements of the Entity as follows:

	Entity	Report	Basis of Financial Statements
1	The Corporation of The Town of The Blue Mountains	Audit	Consolidated
2	Corporation of the Town of The Blue Mountains Trust Funds	Audit	
3	The Blue Mountains Public Library Board	Audit	
4	Thornbury Business Improvement Area	Audit	



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

This letter supersedes our previous letter to the Entity dated December 6, 2022.

The terms of the engagement outlined in this letter will continue in effect from period to period, unless amended or terminated in writing. The attached Assurance Terms and Conditions and any exhibits, attachments and appendices hereto and subsequent amendments form an integral part of the terms of this engagement and are incorporated herein by reference (collectively the "Engagement Letter").

### **FINANCIAL REPORTING FRAMEWORK FOR THE FINANCIAL STATEMENTS**

The annual financial statements will be prepared and presented in accordance with Canadian public sector accounting standards (hereinafter referred to as the "financial reporting framework").

The annual financial statements will include an adequate description of the financial reporting framework.

### **MANAGEMENT'S RESPONSIBILITIES**

**Management responsibilities are described in Appendix – Management's Responsibilities.**

An audit of the annual financial statements does not relieve management or those charged with governance of their responsibilities.

### **AUDITOR'S RESPONSIBILITIES**

Our responsibilities are described in Appendix – Auditor's Responsibilities.

If management does not fulfill the responsibilities above, we cannot complete our audit.

### **ADDITIONAL RESPONSIBILITIES REGARDING "OTHER INFORMATION"**

"Other information" is defined in professional standards to be the financial or non-financial information (other than the financial statements and the auditor's report thereon) included in the "annual report". An "annual report" is defined in professional standards to comprise a document or combination of documents. Professional standards also indicate that:

- an annual report is prepared typically on an annual basis in accordance with law, regulation or custom (i.e., is reoccurring)
- an annual report contains or accompanies the financial statements and the auditor's report thereon
- an annual report's purpose is to provide owners (or similar stakeholders) with information on the Entity's:
  - operations; and/or
  - financial results and financial position as set out in the financial statements.





*The Corporation of the Town of The Blue Mountains*  
*June 10, 2024*

Based on discussions with management, there are no documents, or combination of documents, expected to meet the definition of an "annual report" under professional standards.

#### **AUDITOR'S DELIVERABLES**

Unless otherwise specified, our report(s) will be in writing and the expected content of our report(s) are provided in *Appendix – Expected Form of Report*. However, there may be circumstances in which a report may differ from its expected form and content.

In addition, if we become aware of information that relates to the information we reported on after we have issued our report, but which was not known to us at the date of our report, and which is of such a nature and from such a source that we would have investigated that information had it come to our attention during the course of our engagement, we will, as soon as practicable: (1) communicate such an occurrence to those charged with governance; and (2) undertake an investigation to determine whether the information is reliable and whether the facts existed at the date of our report. Further, management agrees that in conducting that investigation, we will have the full cooperation of the Entity's personnel. If the subsequently discovered information is found to be of such a nature that: (a) our report would have been affected if the information had been known as of the date of our report; and (b) we believe that the report may have been distributed to someone who would attach importance to the information, appropriate steps will be taken by KPMG, and appropriate steps will also be taken by the Entity, to advise of the newly discovered facts and the impact to the information we reported on.

#### **INCOME TAX COMPLIANCE AND ADVISORY SERVICES**

Tax compliance and advisory services are outside the scope of this letter. These services will be subject to the terms and conditions of a separate engagement letter.

#### **USE OF KPMG CLARA FOR CLIENTS**

The terms and conditions for use of KPMG Clara for clients apply to the use of the collaboration tool and are available at [https://kcfcdocumentstore.blob.core.windows.net/documents/KCfc\\_terms\\_and\\_conditions%20Canada%20June%202024.pdf](https://kcfcdocumentstore.blob.core.windows.net/documents/KCfc_terms_and_conditions%20Canada%20June%202024.pdf).

#### **FEES**

The Entity and KPMG agree to a fee based on actual hours incurred at mutually agreed-upon rates. The estimated fee for the services described in this letter is \$45,300. Circumstances encountered during the performance of these services that warrant additional time or expense could cause us to be unable to deliver them within the above estimates. We will endeavour to notify you of any such circumstances as they are assessed.



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

The adoption of the new accounting standards relating to asset retirement obligations, financial instruments, portfolio investments, financial statement presentation and foreign currency will be billed based on hours incurred at standard rates.

Harmonized Sales Tax (HST) will be computed and shown separately on our invoices, together with our firm's HST registration number, so that you will have the information required to claim input tax credits and input tax refunds, if applicable.

The Entity agrees, by accepting the terms of this engagement, to pay all invoices to KPMG upon receipt.

\* \* \* \* \*

We are available to provide a wide range of services beyond those outlined above. Additional services are subject to separate terms and arrangements.

We are proud to provide you with the services outlined above and we appreciate your confidence in our work. We shall be pleased to discuss this letter with you at any time. If the arrangements and terms are acceptable to the Entity, please sign the duplicate of this letter in the space provided and return it to us.

Yours very truly,

A handwritten signature in black ink that reads "KPMG LLP". The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Brendan Hall, CPA, CA, BBA  
Partner, responsible for the engagement and its performance, and for the report that is issued on behalf of KPMG LLP, and who, where required, has the appropriate authority from a professional, legal or regulatory body  
519-747-8273

Enclosure



*The Corporation of the Town of The Blue Mountains*  
*June 10, 2024*

The terms of the engagement set out are as agreed:

*Vicky Bouwman*  
Vicky Bouwman, Acting Deputy Treasurer/Manager of Budgets & Accounting  
(having the appropriate authority to engage the Entity as defined above)

*12/06/24*  
Date (DD/MM/YY)



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

### **Appendix - Management's Responsibilities**

Management acknowledges and understands that they are responsible for:

- (a) the preparation and fair presentation of the financial statements in accordance with the financial reporting framework referred to above.
- (b) providing us with all information of which management is aware that is relevant to the preparation of the financial statements ("relevant information") such as financial records, documentation and other matters, including:
  - the names of all related parties and information regarding all relationships and transactions with related parties
  - complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors, and committees of the board of directors that may affect the financial statements. All significant actions are to be included in such summaries.
- (c) providing us with unrestricted access to such relevant information.
- (d) providing us with complete responses to all enquiries made by us during the engagement.
- (e) providing us with additional information that we may request from management for the purpose of the engagement.
- (f) providing us with unrestricted access to persons within the Entity from whom we determine it necessary to obtain evidence.
- (g) such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Management also acknowledges and understands that they are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- (h) ensuring that all transactions have been recorded and are reflected in the financial statements.
- (i) providing us with written representations required to be obtained under professional standards and written representations that we determine are necessary. Management also acknowledges and understands that, as required by professional standards, we may disclaim an audit opinion when management does not provide certain written representations required.
- (j) ensuring that internal auditors providing direct assistance to us, if any, will be instructed to follow our instructions and that management, and others within the entity, will not intervene in the work the internal auditors perform for us.





*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

## **Appendix - Auditor's Responsibilities**

Our function as auditors of the Entity is:

- to express an opinion on whether the Entity's annual financial statements, prepared by management with the oversight of those charged with governance, are, in all material respects, in accordance with the financial reporting framework referred to above
- to report on the annual financial statements

We will conduct the audit of the Entity's annual financial statements in accordance with Canadian generally accepted auditing standards and relevant ethical requirements, including those pertaining to independence (hereinafter referred to as applicable "professional standards").

We will plan and perform the audit to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error. Accordingly, we will, among other things:

- identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the Entity and its environment, including the Entity's internal control. In making those risk assessments, we consider internal control relevant to the Entity's preparation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control
- obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks
- form an opinion on the Entity's annual financial statements based on conclusions drawn from the audit evidence obtained
- communicate matters required by professional standards, to the extent that such matters come to our attention, to the appropriate level of management, those charged with governance and/or the board of directors. The form (oral or in writing) and the timing will depend on the importance of the matter and the requirements under professional standards



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

## **Appendix - Expected Form of Report**

### **INDEPENDENT AUDITOR'S REPORT**

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of The Blue Mountains of The Corporation of the Town of The Blue Mountains

#### ***Opinion***

We have audited the financial statements of The Corporation of the Town of The Blue Mountains (the Entity), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations, its remeasurement gains and losses, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Responsibilities of Management for the Financial Statements***

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



*The Corporation of the Town of The Blue Mountains  
June 10, 2024*

## **AUDIT ENGAGEMENTS**

### **Appendix - Expected Form of Report (continued)**

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

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

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





*The Corporation of the Town of The Blue Mountains*  
*June 10, 2024*

## **AUDIT ENGAGEMENTS**

### **Appendix - Expected Form of Report (continued)**

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.





## TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS (NON-LISTED COMPANY CLIENTS)

These Terms and Conditions are an integral part of the accompanying engagement letter or proposal from KPMG that identifies the engagement to which they relate (and collectively form the "Engagement Letter"). The Engagement Letter supersedes all written or oral representations on this matter. The term "Entity" used herein has the meaning set out in the accompanying engagement letter or proposal. The term "Management" used herein means the management of Entity.

### 1. DOCUMENTS AND LICENSES.

- a. All working papers, files and other internal materials created or produced by KPMG in relation to this engagement and all copyright and intellectual property rights therein are the property of KPMG.
- b. Only in connection with the services herein, Entity hereby grants to KPMG a limited, revocable, non-exclusive, non-transferable, paid up and royalty-free license, without right of sublicense, to use all logos, trademarks and service marks of Entity solely for presentations or reports to Entity or for internal KPMG presentations and intranet sites. Further, Entity agrees that KPMG may list Entity as a customer in KPMG's internal and external marketing materials, including KPMG websites and social media, indicating the general services rendered (e.g., "Client is an Audit, Advisory, and/or Tax client of KPMG LLP").

### 2. ENTITY'S RESPONSIBILITIES.

- a. Entity agrees that all management responsibilities will be performed and all management decisions will be made by Entity, and not by KPMG.
- b. Entity's provision of documents and information to KPMG on a timely basis is an important factor in our ability to issue any reports under this Engagement Letter. KPMG is not responsible for any consequences arising from Entity's failure to deliver documents and information as required.
- c. To the extent that KPMG personnel are on Entity's premises, Entity will take all reasonable precautions for their safety.
- d. Entity understands and acknowledges that KPMG's independence may be impaired if any KPMG partner, employee or contractor accepts any offer of employment from Entity.
- e. Except as required by applicable law or regulation, Entity shall keep confidential the terms of this Engagement Letter, and such confidential information shall not be distributed, published or made available to any other person without KPMG's express written permission.
- f. Management agrees to promptly provide us with a copy of any comment letter or request for information issued by any securities or other regulatory authority in respect of information on which KPMG reported, including without limitation any continuous disclosure filings.

### 3. FEE AND OTHER ARRANGEMENTS.

- a. KPMG's estimated fee is based in part on the quality of Entity's records, the agreed-upon level of preparation and assistance from Entity's personnel, and adherence by Entity to the agreed-upon timetable. KPMG's estimated fee also assumes that Entity's financial statements and/or other financial information, as applicable, are prepared in accordance with the relevant financial reporting framework or the relevant criteria, as applicable, and that there are no significant changes to the relevant financial reporting framework or the relevant criteria, as applicable; no significant new or changed accounting policies; no significant changes to internal control; and no other significant issues.

b. Additional time may be incurred for such matters as significant issues, significant unusual and/or complex transactions, informing management about new professional standards, and any related accounting advice. Where these matters arise and require research, consultation and work beyond that included in the estimated fee, Entity and KPMG agree to revise the estimated fee. Our professional fees are also subject to an additional charge to cover information technology infrastructure costs and administrative support of our client service personnel. Disbursements for items such as travel, accommodation and meals will be charged based on KPMG's actual disbursements.

c. KPMG's invoices are due and payable upon receipt. In order to avoid the possible implication that unpaid fees might be viewed as creating a threat to KPMG's independence, it is important that KPMG's bills be paid promptly when rendered. If a situation arises in which it may appear that KPMG's independence is threatened because of significant unpaid bills, KPMG may be prohibited from signing any applicable report and/or consent.

d. Fees for any other services will be billed separately from the services described in this Engagement Letter and may be subject to written terms and conditions supplemental to those in the Engagement Letter.

e. Canadian Public Accountability Board ("CPAB") participation fees, when applicable, are charged to Entity based on the annual fees levied by CPAB.

### 4. USE OF MEMBER FIRMS AND THIRD PARTY SERVICE PROVIDERS; STORAGE AND USE OF INFORMATION.

a. KPMG is a member firm of the KPMG International Cooperative ("KPMG International"). Entity acknowledges that in connection with the provision of services hereunder, KPMG may use the services of KPMG International member firms, as well as other third party service providers or subcontractors, and KPMG shall be entitled to share with them all documentation and information related to the engagement, including Entity's confidential information and personal information ("information"). KPMG may also: (i) directly, or using such aforementioned KPMG International member firms, third party service providers or subcontractors, perform data analytics in respect of the information; and (ii) retain and disclose to KPMG International member firms the information to share best practices or for knowledge sharing purposes. In all such cases, such information may be used, retained, processed, or stored outside of Canada by such KPMG International member firms, other third party service providers or subcontractors, and may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG represents that such KPMG International member firms, other third party service providers or subcontractors have agreed or shall agree to conditions of confidentiality with respect to Entity's confidential information, and that KPMG is responsible to ensure their compliance with those conditions. Any services performed by KPMG International member firms or other third party service providers or subcontractors shall be performed in accordance with the terms of this Engagement Letter, but KPMG remains solely responsible to Entity for the delivery of the services hereunder. Entity agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party, and not against any other KPMG International member firms or other third party service providers or subcontractors referred to





## TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS (NON-LISTED COMPANY CLIENTS)

above.

b. Certain information (including information relating to time, billing and conflicts) collected by KPMG during the course of the engagement may be used, retained, processed and stored outside of Canada by KPMG, KPMG International member firms or third party service providers or subcontractors providing support services to KPMG for administrative, technological and clerical/organizational purposes, including in respect of client engagement acceptance procedures and maintaining engagement profiles; and to comply with applicable law, regulation or professional standards (including for quality performance reviews). Such information may be subject to disclosure in accordance with the laws applicable in the jurisdiction in which the information is used, retained, processed or stored, which laws may not provide the same level of protection for such information as will Canadian laws. KPMG may also share information with its legal advisers and insurers for the purposes of obtaining advice.

c. Entity acknowledges that KPMG aggregates anonymous information from sources including the Entity for various purposes, including to monitor quality of service, and Entity consents to such use. KPMG may also use Entity's information to offer services that may be of interest to Entity.

### 5. PERSONAL INFORMATION CONSENTS AND NOTICES.

KPMG may be required to collect, use and disclose personal information about individuals during the course of the engagement. Any collection, use or disclosure of personal information is subject to KPMG's Privacy Policy available at [www.kpmg.ca](http://www.kpmg.ca). Entity represents and warrants that (i) it will obtain any consents required to allow KPMG to collect, use and disclose personal information in the course of the engagement, and (ii) it has provided notice to those individuals whose personal information may be collected, used and disclosed by KPMG hereunder of the potential processing of such personal information outside of Canada (as described in Section 4 above). KPMG's Privacy Officer noted in KPMG's privacy policy is able to answer any individual's questions about the collection of personal information required for KPMG to deliver services hereunder.

### 6. THIRD PARTY DEMANDS FOR DOCUMENTATION AND INFORMATION / LEGAL AND REGULATORY PROCESSES.

a. Entity on its own behalf hereby acknowledges and agrees to cause its subsidiaries and affiliates to acknowledge that KPMG or a foreign component auditor which has been engaged in connection with an assurance engagement ("component auditor") may from time to time receive demands from a third party (each, a "third party demand"), including without limitation (i) from CPAB or from professional, securities or other regulatory, taxation, judicial or governmental authorities (both in Canada and abroad), to provide them with information and copies of documents in KPMG's or the component auditor's files including (without limitation) working papers and other work-product relating to the affairs of Entity, its subsidiaries and affiliates, and (ii) summons for production of documents or information related to the services provided hereunder; which information and documents may contain confidential information of Entity, its subsidiaries or affiliates. Except where prohibited by law, KPMG or its component auditor, as applicable, will advise Entity or its affiliate or subsidiary of the third party demand. Entity acknowledges, and agrees to cause its subsidiaries and affiliates to acknowledge, that KPMG or its component auditor, as applicable, will produce documents and

provide information in response to the third party demand, without further authority from Entity, its subsidiaries or affiliates.

b. KPMG will use reasonable efforts to withhold from production any documentation or information over which Entity asserts privilege. Entity must identify any such documentation or information at the time of its provision to KPMG by marking it as "privileged". Notwithstanding the foregoing, where disclosure of such privileged documents is required by law, KPMG will disclose such privileged documents. If and only if the authority requires such access to such privileged documents pursuant to the laws of a jurisdiction in which express consent of Entity is required for such disclosure, then Entity hereby provides its consent.

c. Entity agrees to reimburse KPMG for its professional time and any disbursements, including reasonable legal fees and taxes, in responding to third party demands.

d. Entity waives and releases KPMG from any and all claims that it may have against KPMG as a result of any disclosure or production by KPMG of documents or information as contemplated herein.

e. Entity agrees to notify KPMG promptly of any request received by Entity from any third party with respect to the services hereunder, KPMG's confidential information, KPMG's advice or report or any related document.

### 7. CONNECTING TO THE ENTITY'S IT NETWORK; EMAIL AND ONLINE FILE SHARING AND STORAGE TOOLS.

a. Entity authorizes KPMG personnel to connect their computers to Entity's IT Network and the Internet via the Network while at the Entity's premises for the purpose of conducting normal business activities.

b. Entity recognizes and accepts the risks associated with communicating electronically, and using online file sharing, storage, collaboration and other similar online tools to transmit information to or sharing information with KPMG, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Entity assumes all responsibility or liability in respect of the risk associated with the use of the foregoing, and agrees that KPMG is not responsible for any issues that might arise (including loss of data) as a result of Entity using the foregoing to transmit information to or otherwise share information with KPMG and, in the case of online tools other than email, KPMG's access to and use of the same in connection with obtaining Entity information and documents.

### 8. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. SUBJECT TO SECTION 14, KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

### 9. LIMITATION ON LIABILITY AND INDEMNIFICATION.

a. Subject to Section 14: (i) Entity agrees that KPMG shall not be liable to Entity for any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively, "Claims") in any way arising out





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of or relating to the services performed hereunder for an aggregate amount in excess of the lesser of one million dollars (\$1,000,000) or two times the fees paid by Entity to KPMG under the engagement; and (ii) on a multi-phase engagement, KPMG's liability shall be based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.

b. Subject to Section 14, in the event of a Claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Entity will indemnify and hold harmless KPMG from all such Claims, including, without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.

c. Subject to Section 14: (i) in no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, liabilities, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs); (ii) in any Claim arising out of the engagement, Entity agrees that KPMG's liability will be several and not joint and several; and (iii) Entity may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.

d. For purposes of this Section 9, the term KPMG shall include its subsidiaries, its associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. The provisions of this Section 9 shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

**10. CONSENT TO THE USE OF THE KPMG NAME OR KPMG REPORT.**

Except as otherwise specifically agreed in this Engagement Letter, KPMG does not consent to:

- i. the use of our name or our report in connection with information, other than what we have reported on as part of this engagement letter or our report thereon, that contains, incorporates by reference, or otherwise accompanies our report or our name;
- ii. the use of our report in another language, or the use of our report in connection with information that we reported on that has been translated into another language, or the use of our name in connection with information that we reported on that has been translated into another language;
- iii. the use of our report in connection with an offering document or other securities filing, including continuous disclosure filings; or
- iv. the use of our name or our report in connection with the interim financial statements (or other interim financial information) to any statement by the Entity regarding the services that we provided on the interim financial statements or other interim financial information.

Any communication, report, statement or conclusion on the interim financial statements may not be included in, or otherwise referred to in any public document or public oral statements except when the interim review conclusion contains a modified conclusion, in which case our interim review report will accompany the interim financial statements.

If the Entity wishes to obtain KPMG's consent regarding the matters above or other matters not otherwise specifically covered by this Engagement Letter, we will be required to perform procedures as required by applicable professional standards, and such procedures would be a separate engagement and subject to

separate engagement terms.

**11. ALTERNATIVE DISPUTE RESOLUTION.**

Any dispute or claim between the parties arising under or relating to this Engagement Letter or the services provided hereunder (the "Dispute") shall be submitted to non-binding mediation. If mediation is not successful within 90 days after the issuance by a party of a request for mediation, then the Dispute shall be referred to and finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada in force at that time. The Seat of Arbitration shall be the province where KPMG's principal office performing this engagement is located. The language of the arbitration shall be English. The Arbitral Tribunal shall be made up of a single Arbitrator. The arbitration award shall be final, conclusive and binding upon the parties, and not subject to appeal.

**12. POTENTIAL CONFLICTS OF INTEREST.**

a. KPMG is or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that, without further notice or disclosure to Entity, KPMG may: (i) accept or continue such engagements on matters unrelated to KPMG's engagement for Entity; and (ii) provide advice or services to any other person or entity making a competing bid or proposal to that of Entity whether or not KPMG is providing advice or services to Entity in respect of Entity's competing bid or proposal.

b. In accordance with professional standards, KPMG will not use any confidential information regarding Entity in connection with its engagements with other clients, and will establish confidentiality and other safeguards to manage conflicts, which may include, in KPMG's sole discretion, the use of separate engagement teams and data access controls.

c. In no event shall KPMG be liable to Entity, or shall Entity be entitled to a return of fees or disbursements, or any other compensation whatsoever as a result of KPMG accepting or continuing a conflicting engagement in accordance with the terms of this Engagement Letter.

d. Entity agrees that KPMG may, in its sole discretion, disclose the fact and nature of its engagement for Entity to (i) KPMG International member firms to inform conflict searches, and (ii) to the extent reasonably required in order to obtain the consent of another entity or individual in order to permit KPMG to act for such entity or individual, or for Entity, in connection with the engagement or any future engagement.

e. In the event that circumstances arise that place KPMG into a conflict of interest as between Entity and a pre-existing client, which in KPMG's sole opinion cannot be adequately addressed through the use of confidentiality and other safeguards, KPMG shall be entitled to immediately terminate the engagement with Entity, without liability.

f. Other KPMG International member firms are or may be engaged by entities and individuals who have potentially conflicting legal and business interests to Entity. Entity agrees that (i) it will not assert that other KPMG International member firms are precluded from being engaged by those other entities or individuals, and (ii) those engagements of other KPMG International member firms do not conflict with KPMG's engagement for Entity.

**13. LOBBYING.**

Unless expressly stated in this Engagement Letter, KPMG will not



**TERMS AND CONDITIONS FOR ASSURANCE ENGAGEMENTS  
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undertake any lobbying activity, as that term is defined in all applicable federal, provincial and municipal lobbyist registration statutes and regulations, in connection with the engagement. In the event that KPMG and Entity agree that KPMG will undertake lobbying activity in connection with the engagement, such agreement shall be set out in an amendment to this Engagement Letter.

**14. SEVERABILITY.**

The provisions of these Terms and Conditions and the accompanying proposal or engagement letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law, regulation or professional standards. If any of the provisions of these Terms and Conditions or the accompanying proposal or engagement letter are determined to be invalid, void or unenforceable, the remaining provisions of these Terms and Conditions or the accompanying proposal or engagement letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall remain valid and in effect and be enforceable and binding on the parties to the fullest extent permitted by law.

**15. GOVERNING LAW.**

This Engagement Letter shall be subject to and governed by the laws of the province where KPMG's principal office performing this engagement is located (without regard to such province's rules on conflicts of law).

**16. LLP STATUS.**

KPMG is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation.

**17. INDEPENDENT LEGAL ADVICE.**

Entity agrees that it been advised to retain independent legal advice at its own expense prior to signing this Engagement Letter (including without limitation with respect to Entity's rights in connection with potential future conflicts) and agrees that any failure on its part to retain such independent legal counsel shall not affect (and it shall not assert that the same affects) the validity of the provisions of this Engagement Letter.

**18. SURVIVAL.**

All sections hereof other than Section 7(a) shall survive the expiration or termination of the engagement.





# Appendix D: Management representation letter

**(Letterhead of Client)**

KPMG LLP  
120 Victoria Street South, Suite 600  
Kitchener, ON N2G 2B3

September 19, 2024

We are writing at your request to confirm our understanding that your audits were for the purpose of expressing an opinion on the financial statements (hereinafter referred to as “financial statements”) of The Town of Blue Mountains Library Board (“the Entity”) as at and for the periods ended December 31, 2023.

*General:*

We confirm that the representations we make in this letter are in accordance with the definitions as set out in [Attachment I](#) to this letter.

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

*Responsibilities:*

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated June 10, 2024, including for:
  - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
  - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements (“relevant information”), such as financial records, documentation and other matters, including:
    - the names of all related parties and information regarding all relationships and transactions with related parties;
    - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
  - c) providing you with unrestricted access to such relevant information.
  - d) providing you with complete responses to all enquiries made by you during the engagement.
  - e) providing you with additional information that you may request from us for the purpose of the engagement.
  - f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
  - g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.

- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

*Internal control over financial reporting:*

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

*Fraud & non-compliance with laws and regulations:*

- 3) We have disclosed to you:
  - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
  - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
    - management;
    - employees who have significant roles in internal control over financial reporting; or
    - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
  - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, short sellers, or others.
  - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
  - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

*Subsequent events:*

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment, or disclosure, in the financial statements have been adjusted or disclosed.

*Related parties:*

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for, and disclosed, in accordance with the relevant financial reporting framework.

*Estimates:*

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

*Going concern:*

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.
- 10) We confirm that we are not aware of material uncertainties related to events or conditions that may cast significant doubt upon the Entity's ability to continue as a going concern.

*Misstatements:*

- 1) The effects of the uncorrected misstatements described in [Attachment II](#) are immaterial, both individually and in the aggregate, to the financial statements as a whole.

*Non-SEC registrants or non-reporting issuers:*

- 2) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 3) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

*Approval of financial statements:*

- 4) Michael Switzer has the recognized authority to take, and has taken, responsibility for the financial statements.

Yours very truly,

---

Michael Switzer, Deputy Treasurer/Manager of Budgets & Accounting



## **Attachment I – Definitions**

### *Materiality*

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

### *Fraud & error*

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

***Attachment II – Summary of Uncorrected Audit Misstatements Schedule***

Presented in \$	Income effect	Financial position		
Description of individually significant misstatements	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Net Assets (Decrease) Increase
To reverse the current year impacts of a donation recorded in FY23 rather than FY22.	(\$3,000)	-	-	-
<b>Total uncorrected misstatements</b>	<b>(\$3,000)</b>	-	-	-



# Appendix E: Audit quality - How do we deliver audit quality?

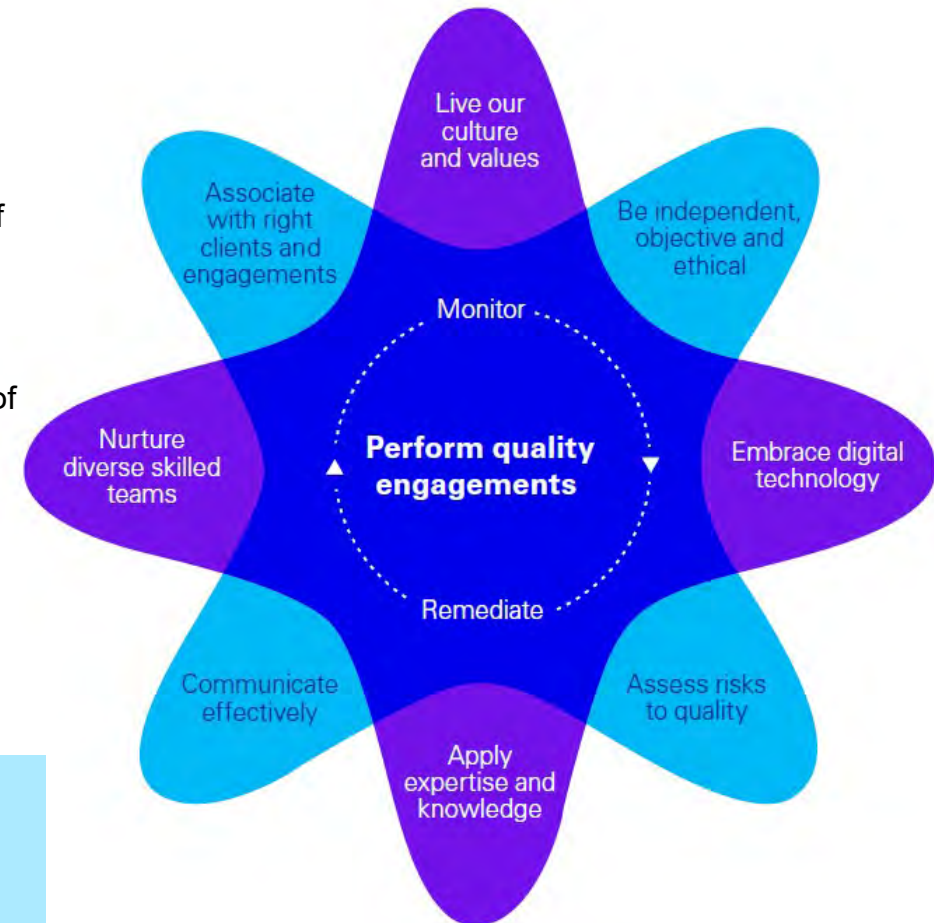
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



**Doing the right thing. Always.**



# Appendix F: Newly effective and upcoming changes to auditing standards

For more information on newly effective and upcoming changes to auditing standards – see Current Developments



Effective for periods beginning on or after December 15, 2022

## ISA/CAS 220

.....  
(Revised) Quality management for an audit of financial statements

## ISQM1/CSQM1

.....  
Quality management for firms that perform audits or reviews of financial statements or other assurance or related services engagements

## ISQM2/CSQM2

.....  
Engagement quality reviews





# Appendix G: Audit and assurance insights

Our latest thinking on the issues that matter most to Audit Committees, board of directors and management.

## KPMG Audit & Assurance Insights

Curated research and insights for audit committees and boards.

## Board Leadership Centre

Leading insights to help board members maximize boardroom opportunities

## Current Developments

Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US Outlook reports.

## Audit Committee Guide – Canadian Edition

A practical guide providing insight into current challenges and leading practices shaping audit committee effectiveness in Canada.

## Accelerate 2023

The key issues driving the audit committee agenda in 2023.

## Momentum

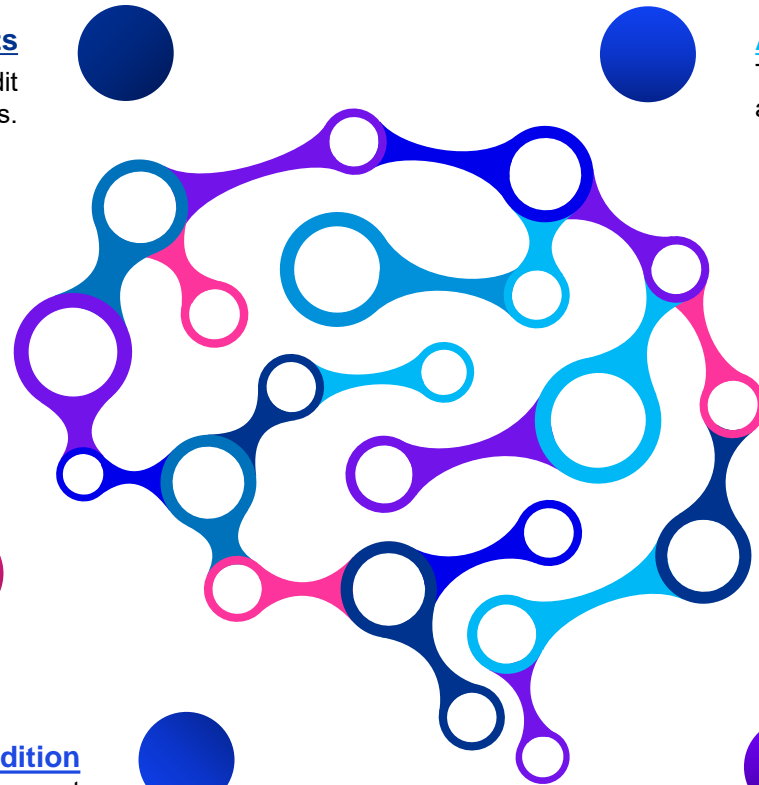
A quarterly newsletter with the latest thought-leadership from KPMG's subject matter leaders across Canada and valuable audit resources for clients.

## KPMG Climate Change Financial Reporting Resource Centre

Our climate change resource center provides insights to help you identify the potential financial statement impacts to your business.

## IFRS Breaking News

A monthly Canadian newsletter that provides the latest insights on international financial reporting standards and IASB activities.





<https://kpmg.com/ca/en/home.html>

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