

**CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

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**CONTENTS**

Five Year Financial Review.....	1 - 2
Management's Responsibility for the Consolidated Financial Statements.....	3
Independent Auditor's Report.....	4 - 6
Consolidated Statement of Financial Position .....	7
Consolidated Statement of Operations.....	8
Consolidated Statement of Changes in Net Financial Assets.....	9
Consolidated Statement of Cash Flows.....	10
Notes to the Consolidated Financial Statements.....	11 - 23
Schedule 1 ▶ Continuity of Reserves and Reserve Funds .....	24
Schedule 2 ▶ Tangible Capital Assets .....	25 - 26
Independent Auditor's Report ▶ Trust Funds.....	27 - 29
Trust Funds ▶ Statement of Financial Position and Statement of Financial Activities.....	30
Trust Funds ▶ Notes to the Financial Statements.....	31

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**Township of Augusta  
Consolidated  
Financial Statements  
December 31, 2019**

**Township of Augusta**  
**Five Year Financial Review**  
(not subject to audit)

December 31	2019	2018	2017	2016	2015
<b>Population</b> (Statistics Canada)	7,353	7,353	7,353	7,353	7,430
<b>Number of Households</b> (MPAC)	3,130	3,130	3,118	3,004	3,085
<b>Taxable Assessment</b> (000's)	\$	\$	\$	\$	\$
Residential and farm	754,843	732,643	709,738	722,630	699,059
Commercial and industrial	52,028	50,096	48,835	55,807	54,378
<b>Total</b>	<b>806,871</b>	782,739	758,573	778,437	753,437
Commercial, industrial as % of assessment	6.44%	6.40%	6.43%	7.17%	7.22%
<b>Rates of Taxation</b>					
Residential					
▸ for general municipal purposes	0.601087	0.589648	0.578085	0.563986	0.555587
▸ for county purposes	0.370869	0.370869	0.370869	0.363579	0.367257
▸ for school board purposes	0.161000	0.170000	0.179000	0.188000	0.195000
<b>Total</b>	<b>1.132956</b>	1.130517	1.127954	1.115565	1.117844
Multi-Residential (municipal)	0.601087	0.589648	0.578085	0.563986	0.555587
Commercial (municipal)	0.809303	0.793902	0.778334	0.759351	0.748042
Industrial (municipal)	1.088808	1.068088	1.047143	1.021604	1.006390
<b>Tax Arrears</b> ▸ percentage of current levy (<10%)**	<b>13.63%</b>	16.87%	18.98%	14.99%	14.80%
<b>Taxes Transferred</b> (000's)					
▸ County	3,073	3,009	2,860	2,806	2,875
▸ School Boards	1,927	1,908	1,866	1,887	2,109
<b>Revenues</b> (000's)	\$	\$	\$	\$	\$
▸ Taxation and payments in lieu	4,777	4,758	4,472	4,370	4,326
▸ Government transfers	1,543	914	706	725	679
▸ Fees and service charges	66	118	77	80	144
▸ Other	297	343	314	292	303
▸ Revenues related to capital assets	387	309	296	226	218
<b>Total</b>	<b>7,070</b>	6,442	5,865	5,693	5,670
<b>Expenses</b> (000's)					
▸ Operations	6,144	5,729	5,724	5,746	5,393
▸ Amortization	1,318	1,173	1,290	1,281	1,103
<b>Net Assets (Net Debt)</b>					
▸ % of Operating Revenue (>(20%))**	55.56%	46.34%	58.93%	61.67%	75.58%
▸ % of Taxation and User Charges (>(50%))**	76.67%	59.72%	73.40%	77.13%	95.24%

\*\* Represents the Provincial Low Risk Indicator.  
(Note: All dollar amounts are in thousands of dollars.)

**Township of Augusta**  
**Five Year Financial Review**  
(not subject to audit)

December 31	2019	2018	2017	2016	2015
	\$	\$	\$	\$	\$
<b>Long Term Debt</b>					
▶ Annual repayment limit (000's)	<b>1,215</b>	1,182	1,192	1,097	1,099
<b>Municipal Equity (000's)</b>					
▶ Surplus and Reserves	<b>5,252</b>	3,052	3,407	3,486	4,239
▶ Invested in capital assets	<b>13,916</b>	15,191	14,122	13,902	13,812
▶ Reserves as % of operating expenses (>20%) **	<b>84.48%</b>	52.24%	58.44%	59.74%	69.24%
▶ Asset consumption ratio	<b>52.36%</b>	53.97%	54.12%	52.65%	50.62%
<b>Financial Indicators</b>					
▶ Sustainability					
▶ financial assets to liabilities	<b>1.81</b>	1.79	2.48	2.86	3.87
▶ capital reserves to accumulated amortization	<b>21.62%</b>	12.17%	14.97%	14.52%	18.68%
▶ Flexibility					
▶ Debt charges to total operating revenue (<5%) **	<b>0.00%</b>	0.00%	0.00%	0.00%	0.00%
▶ Total operating revenue to taxable assessment	<b>0.83%</b>	0.79%	0.73%	0.70%	0.72%
▶ Working capital to operating expenses (>10%) **	<b>27.08%</b>	49.95%	57.34%	58.65%	76.40%
▶ Vulnerability					
▶ Operating government transfers					
▶ to operating revenue	<b>23.10%</b>	14.90%	12.68%	13.26%	12.46%
▶ Total government transfers					
▶ to total revenues	<b>27.31%</b>	18.82%	17.09%	16.70%	15.78%



## Management's Responsibility for the Consolidated Financial Statements

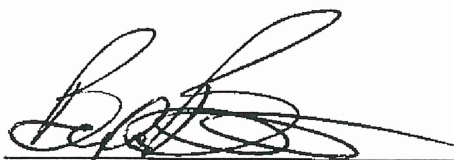
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The accompanying consolidated financial statements of the Corporation of the Township of Augusta are the responsibility of the Township's management and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting Standards. A summary of significant accounting policies are described in note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Township's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of consolidated financial statements. These systems are monitored and evaluated by management.


Management meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to Council approval of the consolidated financial statements.

The consolidated financial statements have been audited by Allan and Partners LLP, independent external auditors appointed by the Municipality. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Township's consolidated financial statements.



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Bryan Brown, CAO



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Ray Morrison, Treasurer



## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Augusta:

### Opinion

We have audited the consolidated financial statements of the Corporation of the Township of Augusta (the 'Entity'), which comprise:

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated statement of operations and accumulated surplus for the year then ended;
- the consolidated statement of changes in net financial assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- and the notes to the consolidated 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 consolidated financial position of the Entity as at December 31, 2019, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 **'Auditors' 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 judgement 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 of 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 auditors' 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 auditors' 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario  
September 13, 2021.

**Township of Augusta**  
**Consolidated Statement of Financial Position**

December 31	2019	2018
	\$	\$
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and short term deposits	1,411,314	1,939,645
Taxes receivable	1,162,939	1,561,771
Accounts receivable	1,112,053	891,031
Long term receivables	26,928	32,735
	<b>3,713,234</b>	<b>4,425,182</b>
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	1,069,000	741,376
Accrued landfill closure and post closure (note 9)	516,673	516,673
Prepaid property taxes	172,092	141,224
Other current liabilities	58,905	39,952
Deferred revenues (note 4)	205,874	111,502
Long term liabilities (note 5)	26,928	32,735
	<b>2,049,472</b>	<b>1,583,462</b>
<b>NET FINANCIAL ASSETS</b>	<b>1,663,762</b>	<b>2,841,720</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (note 13)	17,316,445	15,190,546
Inventories	112,469	116,905
Prepaid expenses	75,746	93,100
	<b>17,504,660</b>	<b>15,400,551</b>
Contingent Liabilities (note 11)		
<b>MUNICIPAL EQUITY</b> (note 6)	<b>19,168,422</b>	<b>18,242,271</b>

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



## Township of Augusta Consolidated Statement of Operations

For the year ended December 31	(Note 15) Budget	2019	2018
	\$	\$	\$
<b>REVENUES</b>			
Taxation ▶ residential	4,380,915	<b>4,354,379</b>	4,136,815
▶ commercial	543,991	<b>401,767</b>	602,952
▶ other governments	20,190	<b>20,379</b>	18,659
User charges ▶ general government	11,958	<b>13,643</b>	13,593
▶ protection to persons and property	20,255	<b>13,012</b>	41,269
▶ transportation services	16,644	<b>11,921</b>	27,242
▶ recreation and culture	8,567	<b>5,742</b>	4,446
▶ planning	33,927	<b>22,175</b>	31,038
Government transfers	1,000,040	<b>1,543,465</b>	913,735
Licences and permits	74,556	<b>101,733</b>	67,591
Investment income	300	<b>46,215</b>	57,123
Penalties and interest on taxes	219,000	<b>142,115</b>	213,253
Other	400	<b>6,530</b>	5,167
<b>TOTAL REVENUES</b>	<b>6,330,743</b>	<b>6,683,076</b>	<b>6,132,883</b>
<b>EXPENSES</b>			
General government	707,223	<b>848,930</b>	762,628
Protection to persons and property	1,739,239	<b>1,846,814</b>	1,818,459
Transportation services	1,397,851	<b>2,447,845</b>	2,237,018
Environmental services	616,741	<b>465,222</b>	411,541
Social and health services	8,000	<b>4,907</b>	12,353
Recreation and cultural services	303,450	<b>329,348</b>	332,756
Planning and development	240,670	<b>201,129</b>	153,999
<b>TOTAL EXPENSES</b>	<b>5,013,174</b>	<b>6,144,195</b>	<b>5,728,754</b>
<b>NET REVENUES FROM OPERATIONS</b>	<b>1,317,569</b>	<b>538,881</b>	<b>404,129</b>
<b>OTHER</b>			
Grants and transfers related to capital			
Government transfers	303,653	<b>387,270</b>	298,713
Gain on disposal of capital assets	---	---	10,472
	303,653	<b>387,270</b>	309,185
<b>ANNUAL SURPLUS</b>	<b>1,621,222</b>	<b>926,151</b>	<b>713,314</b>
<b>MUNICIPAL EQUITY, BEGINNING OF YEAR</b>	<b>18,242,271</b>	<b>18,242,271</b>	<b>17,528,957</b>
<b>MUNICIPAL EQUITY, END OF YEAR</b>	<b>19,863,493</b>	<b>19,168,422</b>	<b>18,242,271</b>

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

**Township of Augusta**  
**Consolidated Statement of Changes in Net Financial Assets**

For the year ended December 31	(Note 15) Budget	2019	2018
	\$	\$	\$
<b>ANNUAL SURPLUS</b>	1,621,222	<b>926,151</b>	713,314
Amortization of tangible capital assets	---	<b>1,317,844</b>	1,172,800
Acquisition of tangible capital assets	(1,820,566)	<b>(3,443,743)</b>	(2,264,536)
Disposition of tangible capital assets	---	---	23,426
Acquisition of supplies inventories	---	<b>4,436</b>	(53,980)
Acquisition of prepaid expenses	---	<b>17,354</b>	(31,429)
	(1,820,566)	<b>(2,104,109)</b>	(1,153,719)
<b>DECREASE IN NET FINANCIAL ASSETS</b>	(199,344)	<b>(1,177,958)</b>	(440,405)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	2,841,720	<b>2,841,720</b>	3,282,125
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	2,642,376	<b>1,663,762</b>	2,841,720

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

## Township of Augusta Consolidated Statement of Cash Flows

For the year ended December 31	2019	2018
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Annual surplus for the year	926,151	713,314
Amortization	1,317,844	1,172,800
	<b>2,243,995</b>	1,886,114
Net Change in Non-Cash Working Capital Balances		
Taxes receivable	398,832	252,374
Accounts receivable	(221,022)	(103,236)
Accounts payable and accrued liabilities	327,624	240,256
Prepaid property taxes	30,868	(188,002)
Other current liabilities	18,953	563
Deferred revenues (note 4)	94,372	70,675
Inventories	4,436	(53,980)
Prepaid expenses	17,354	(31,429)
Long term receivables	5,807	5,479
	<b>677,224</b>	192,700
<b>Working Capital from Operations</b>	<b>2,921,219</b>	2,078,814
<b>CAPITAL ACTIVITIES</b>		
Acquisition of tangible capital assets	(3,443,743)	(2,264,536)
Disposal of capital assets	---	23,426
<b>Net investment in tangible capital assets</b>	<b>(3,443,743)</b>	(2,241,110)
<b>FINANCING ACTIVITIES</b>		
Debt principal repayments	(5,807)	(5,479)
<b>Net decrease in cash from financing activities</b>	<b>(5,807)</b>	(5,479)
<b>NET DECREASE IN CASH</b>	<b>(528,331)</b>	(167,775)
<b>CASH, BEGINNING OF YEAR</b>	<b>1,939,645</b>	2,107,420
<b>CASH, END OF YEAR</b>	<b>1,411,314</b>	1,939,645

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

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# Township of Augusta

## Notes to the Consolidated Financial Statements

**December 31, 2019**

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### 1. Status of the Township of Augusta

The Township of Augusta (the 'Township') was formed January 21, 1850 and assumed its responsibilities under the authority of the Provincial Secretary. The Township operates as a lower tier government in the United Counties of Leeds and Grenville, in the Province of Ontario, Canada and provides municipal services such as police, fire, public works, planning, parks and recreation, library and other general government operations.

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### 2. Significant Accounting Policies

The consolidated financial statements of the Township of Augusta are the representations of management and have been prepared in all material respects in accordance with Canadian Public Sector Accounting Standards. Significant aspects of the accounting policies by the Township are as follows:

#### Reporting Entity

- (i) The consolidated financial statements reflect financial assets, liabilities, operating revenues and expenses, reserves, reserve funds and changes in investment in tangible capital assets of the Township. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned or controlled by the Township. Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated. These consolidated financial statements include:
  - ▶ North Augusta Cemetery Board
  - ▶ McGinn's Cemetery Board
  - ▶ Augusta Library Board
  - ▶ Police Services Board
- (ii) The taxation, other revenues, Expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these consolidated financial statements.

#### Basis of Accounting

- (i) The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based on receipt of goods and services and/or the creation of a legal obligation to pay.
- (ii) Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year, and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.
- (iii) Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported separately on the Trust Funds Statement of Financial Activities and Financial Position.

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# Township of Augusta

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 2. Significant Accounting Policies / continued

#### Taxation and Related Revenues

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation ('MPAC'). Tax rates are established by the Township Council, incorporating amounts to be raised for local services, amounts to be raised on behalf of the United Counties of Leeds and Grenville for regional services, and amounts the Township is required to collect on behalf of the Province of Ontario in respect of education taxes. Taxation revenues are recorded at the time tax billings are issued. Adjustments to taxation revenues can occur during the year related to the issuance of supplementary tax billings and/or assessment appeals. These adjustments are recorded when the amount of the adjustments can be quantified. The Township is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period in which the interest and penalties are applied.

#### Tangible Capital Assets

Tangible capital assets are recorded at cost, which include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful lives as follows:

Land	
Buildings	40 years
Furniture and Equipment	7 years
Vehicles	7 to 20 years
Roads	10 to 40 years
Bridges	75 years
Construction in Progress	

Amortization is charged from the date of acquisition. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

The Township has a capitalization threshold of \$5,000 for vehicles and equipment and \$20,000 for linear assets and buildings so that individual capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operations reasons.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of other asset as of the date of transfer.

When tangible capital assets are disposed of, either by way of a sale, destruction or loss, or abandonment of the asset, the asset's net book value, historical cost less accumulated amortization, is written off. Any resulting gain or loss, equal to the proceeds on disposal less the asset's net book value, is reported on the consolidated statement of operations in the year of disposal. Transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

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# Township of Augusta

## Notes to the Consolidated Financial Statements

**December 31, 2019**

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### 2. Significant Accounting Policies / continued

#### **Tangible Capital Assets / continued**

When conditions indicate that a tangible capital asset no longer contributes to the Township's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the consolidated statement of operations.

#### **Leases**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

#### **Inventories and Prepaid Expenses**

Inventories and prepaid expenses held for consumption are recorded at the lower of cost or replacement cost.

#### **Pension and Employee Benefits**

The Township accounts for its participation in the Ontario Municipal Employees Retirement System ('OMERS'), a multi-employer public sector pension fund, as a defined benefit plan. The OMERS plan specifies the retirement benefits to be received by employees based on length of service and pay rates.

Employee benefits include vacation entitlement and sick leave benefits. Vacation entitlements are accrued as entitlements are earned. Sick leave benefits are accrued in accordance with the Township's policy.

#### **Cash and Cash Equivalents**

The Township considers cash and cash equivalents to be highly liquid investments with original maturities of three months or less.

#### **Government Transfers**

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

#### **Deferred Revenues**

The Township defers recognition of user charges and fees which have been collected but for which the related services have yet to be performed. Government transfers of gas taxes, development charges collected under the *Development Charges Act, 1997*, and recreational lands collected under the Planning Act are reported as deferred revenues in the Consolidated Statement of Financial Position. These amounts will be recognized as revenues in the fiscal year the services are performed.

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# Township of Augusta

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 2. Significant Accounting Policies / continued

#### Deferred Revenues / continued

The Township receives restricted contributions under the authority of Federal and Provincial legislation and Township by-laws. These funds by their nature are restricted in their use and until applied to applicable costs are recorded as deferred revenues. Amounts applied to qualifying expenses are recorded as revenue in the fiscal period they are expended.

Deferred revenues represent certain user charges and fees which have been collected but for which the related services have yet to be performed. Deferred revenues also represent contributions that the Township has received pursuant to legislation, regulation or agreement that may only be used for certain programs or in the completion of specific work. These amounts are recognized as revenues in the fiscal year the services are performed or related expenses incurred.

#### Investments

Short-term and long-term investments are recorded at cost plus accrual interest. If the market value of investments become lower than cost and the decline in value is considered to be other than temporary, the investments are written down to market value.

Investment income earned on surplus current funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

#### Landfill Closure and Post-Closure Liabilities

The Township accrues landfill closure and post-closure care requirements that have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liability is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

Future events may result in significant changes to the estimated total Expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

#### Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the Township:
  - (i) is directly responsible; or
  - (ii) accepts responsibility
- (d) it is expected that future economic benefit will be given up; and
- (e) a reasonable estimate of the amount can be made.

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# Township of Augusta

## Notes to the Consolidated Financial Statements

December 31, 2019

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### 2. Significant Accounting Policies / continued

#### Liability for Contaminated Sites / continued

The liability is recognized as management's estimate of cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

#### Financial Instruments

All financial instruments are initially recognized at fair value on the consolidated statement of financial position. The Township has classified each financial instrument into one of the following categories: held-for-trading financial assets and liabilities, loans and receivables, held-to-maturity financial assets and other financial liabilities. Subsequent measurement of financial instruments is based on their classification.

Held-for-trading financial assets and liabilities are subsequently measured at fair value with changes in those fair values recognized in net revenues.

Loans and receivables, held-to-maturity financial assets and other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Township classifies cash and cash equivalents as held-for-trading financial assets, accounts receivable as loans and receivables and accounts payable and accrued liabilities as other financial liabilities.

#### Measurement Uncertainty

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and Expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and as adjustments become necessary, they are recorded in the consolidated financial statements in the period in which they become known.

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### 3. Operations of the School Boards and United Counties of Leeds and Grenville

During 2019, the Township collected and made property tax transfers including payments in lieu of property taxes, to the United Counties of Leeds and Grenville and School Boards as follows:

	School Boards	County
	\$	\$
Property taxes	1,926,505	3,064,465
Taxation from other governments	278	8,757
Amounts requisitioned and paid	1,926,783	3,073,222

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**Township of Augusta**  
**Notes to the Consolidated Financial Statements**

**December 31, 2019**

**4. Deferred Revenues**

A requirement of the public sector accounting standards of the Chartered Professional Accountants of Canada is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may possibly be refunded.

The balances in the obligatory reserve funds of the Township are summarized below:

	Government Grants	Parkland	Total
	\$	\$	\$
January 1, 2019	69,474	42,028	<b>111,502</b>
Government grants	76,852	---	<b>76,852</b>
Dedicated sale of property	---	16,104	<b>16,104</b>
Interest	511	905	<b>1,416</b>
December 31, 2019	146,837	59,037	<b>205,874</b>

**5. Long Term Liabilities**

(a) The balance of long term liabilities reported on the "Consolidated Statement of Financial Position" is comprised of the following:

	2019	2018
	\$	\$
Instalment debentures with the Province of Ontario under the Ontario Tile Loan Program. The responsibility for payment of principal and interest charges for tile drainage and shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is	<b>26,928</b>	32,735
Net long term liabilities at the end of the year	<b>26,928</b>	32,735

(b) Principal payments fall due as follows:

	General Revenues
	\$
2020	6,155
2021	6,525
2022	6,917
2023	7,331
	<b>26,928</b>

**Township of Augusta**  
**Notes to the Consolidated Financial Statements**

**December 31, 2019**

**5. Long Term Liabilities / continued**

- (c) Interest expense on long term liabilities in 2019 amounted to \$1,965 (2018 \$2,293).
- (d) These payments are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**6. Municipal Equity**

Municipal equity consists of:

	2019	2018
	\$	\$
Investment in Tangible Capital Assets		
Tangible capital assets	17,316,445	15,190,546
Unfunded capital projects	(3,400,000)	---
	<b>13,916,445</b>	15,190,546
Unrestricted Surplus		
▶ Library Board	42,171	37,363
▶ Police Services Board	19,028	21,691
Reserves (Schedule 1)	5,170,478	2,982,671
Reserve Funds (Schedule 1)	20,300	10,000
<b>Total Municipal Equity</b>	<b>19,168,422</b>	18,242,271

**7. Pension Contributions**

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employers and employees contribute to the plan. Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the Township does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements.

The amount contributed to OMERS was \$96,490 (2018 \$87,048) for current services and is included as an expenditure on the Consolidated Statement of Operations classified under the appropriate functional expenditure. Contributions by employees were a similar amount.

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# Township of Augusta

## Notes to the Consolidated Financial Statements

**December 31, 2019**

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### **8. Trust Funds**

Trust funds administered by the Township amounting to \$2,548 (2018 \$2,458) are presented in a separate financial statement of trust fund balances and operations. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or financial activities.

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### **9. Landfill Closure and Post Closure Liability**

The Environment Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites. This requirement is to be provided for over the estimated remaining life of the landfill site based on usage and is in accordance with the Township's accounting policy.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities is based on estimates and assumptions with respect to events extending over a twenty-five year period using the best information available to management.

The Township currently has two closed landfill sites - North Augusta and Maynard which were closed in 2015.

Annual post closure maintenance and monitoring costs are estimated to be \$50,000 per year for 2019 through 2020. For subsequent years, the results of the monitoring may result in decreased monitoring requirements.

Future events may result in significant changes to the estimated Expenses and the estimated liability would be recognized prospectively, as a change in estimate, when applicable.

Estimated total Expenses represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Township's average long term borrowing rate of 2.0% and using an assumed rate of 2.0% for inflation. The estimated landfill post-closure care Expenses are calculated to be approximately \$500,000. The estimated liability for these Expenses have been recognized in the records of the Municipality. Included in liabilities on the Consolidated Statement of Financial Position at December 31, 2019 is an amount of \$516,673 (2018 \$516,673) with respect to post-closure liabilities recognized to date.

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### **10. Contractual Obligations**

The Municipality has negotiated a long term contract for the operation of the Township's landfill site. The contract ends May 2020. Annual charges under the contract are determined by the contract. The current contract amounts to \$195,380 annually.

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## Township of Augusta

### Notes to the Consolidated Financial Statements

December 31, 2019

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#### 10. Contractual Obligations / continued

The Municipality has extended a long term contract with the Ontario Provincial Police for the provision of policing services. The contract ends December 31, 2022. Annual charges are determined based on level of service and are reconciled to actual costs in the following year. Contract payments for 2019 were \$1,018,580 (2018 \$1,025,389).

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#### 11. Contingent Liabilities

The nature of municipal activities is such that there may be litigation pending or in prospect at any time. With respect to claims as at December 31, 2019, management believes that the Township has valid defences and appropriate insurance coverages in place.

In the event any claims are successful, the amount of any potential liability is not determinable, therefore, no amount has been accrued in the consolidated financial statements.

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#### 12. Risk Management

In the normal course of operations, the Township is exposed to a variety of financial risks which are actively managed by the Township.

The Township's financial instruments consist of cash, investments, accounts receivable and accounts payable and accrued liabilities. The fair values of cash, investments and accounts payable and accrued liabilities approximate their carrying values because of their expected short term maturity and treatment on normal trade terms.

The Township's exposure to and management of risk has not changed materially from December 31, 2018.

##### **Credit Risk**

Credit risk arises from the possibility that the entities to which the Township provides services to may experience difficulty and be unable to fulfill their obligations. The Township is exposed to financial risk that arises from the credit quality of the entities to which it provides services. The Township does not have a significant exposure to any individual customer or counter party. As a result, the requirement for credit risk related reserves for accounts receivable is minimal.

##### **Interest Rate Risk**

Interest rate risk arises from the possibility that the value of, or cash flows related to, a financial instrument will fluctuate as a result of changes in market interest rates. The Township is exposed to financial risk that arises from the interest rate differentials between the market interest rate and the rates on its cash and cash equivalents and operating loan. Changes in variable interest rates could cause unanticipated fluctuations in the Township's operating results.

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**Township of Augusta**  
**Notes to the Consolidated Financial Statements**

**December 31, 2019**

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**12. Risk Management / continued**

**Liquidity Risk**

Liquidity risk is the risk that the Township will not be able to meet its obligations as they fall due. The Township requires working capital to meet day-to-day operating activities. Management expects that the Township's cash flows from operating activities will be sufficient to meet these requirements.

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**13. Tangible Capital Assets**

	2019	2018
	\$	\$
Land	815,480	547,513
Buildings	6,161,232	3,388,837
Furniture and Equipment	319,218	291,752
Vehicles	1,555,615	1,775,293
Roads	7,521,330	7,944,347
Bridges	939,744	963,318
Construction in Progress	3,826	279,486
	<b>17,316,445</b>	<b>15,190,546</b>

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For additional information, see Schedule 2 ▶ Tangible Capital Assets.

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**14. Segmented Information**

The Township is a diversified municipal government that provides a wide range of services to its citizens. The services are provided by departments and their activities are reported in the Consolidated Statement of Operations.

Departments have been separately disclosed in the segmented information, along with the service they provide which are set out in the schedule below.

For each reported segment, Expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 2.

**Township of Augusta**  
**Notes to the Consolidated Financial Statements**

**December 31, 2019**

**14. Segmented Information / continued**

2019	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
\$	\$	\$	\$	\$	\$	\$
<b>General Government</b>						
Governance	85,986	---	10,935	---	---	96,921
Corporate Management	432,900	---	303,426	---	15,683	752,009
<b>Protection to Persons &amp; Property</b>						
Fire	188,241	---	206,282	104,493	112,002	611,018
Police	1,996	---	1,028,325	---	---	1,030,321
Conservation Authority	---	---	---	44,325	---	44,325
Protective Inspection	132,189	---	28,670	291	---	161,150
<b>Transportation</b>						
Roadways	432,315	---	638,714	---	1,119,219	2,190,248
Winter Control	108,079	---	137,624	---	---	245,703
Street Lighting	---	---	11,894	---	---	11,894
<b>Environmental</b>						
Waste Services	22,561	---	442,661	---	---	465,222
<b>Health Services</b>						
Cemeteries	---	---	4,907	---	---	4,907
<b>Recreation and Cultural Services</b>						
Recreation Facilities & Programs	31,135	---	72,538	32,181	35,776	171,630
Libraries	76,799	---	45,755	---	35,164	157,718
<b>Planning and</b>						
Planning & Zoning	56,359	1,965	142,805	---	---	201,129
<b>2019</b>	<b>1,568,560</b>	<b>1,965</b>	<b>3,074,536</b>	<b>181,290</b>	<b>1,317,844</b>	<b>6,144,195</b>

**Township of Augusta**  
**Notes to the Consolidated Financial Statements**

**December 31, 2019**

**14. Segmented Information / continued**

2018	Salaries, Wages & Employee Benefits	Debenture Debt Interest	Materials & Services	External Transfers	Amortization	Total
\$	\$	\$	\$	\$	\$	\$
<b>General Government</b>						
Governance	89,832	---	6,894	---	---	96,726
Corporate Management	433,396	---	216,823	---	15,683	665,902
<b>Protection to Persons &amp; Property</b>						
Fire	153,721	---	189,192	100,369	136,604	579,886
Police	---	---	1,025,389	---	---	1,025,389
Conservation Authority	---	---	---	46,585	---	46,585
Protective Inspection	132,204	---	28,953	5,442	---	166,599
<b>Transportation</b>						
Roadways	464,491	---	729,872	---	958,925	2,153,288
Winter Control	---	---	69,011	---	---	69,011
Street Lighting	---	---	14,719	---	---	14,719
<b>Environmental</b>						
Waste Services	21,224	---	390,317	---	---	411,541
<b>Health Services</b>						
Cemeteries	---	---	12,353	---	---	12,353
<b>Recreation and Cultural Services</b>						
Recreation Facilities & Programs	36,127	---	84,107	28,080	26,092	174,406
Libraries	74,699	---	48,155	---	35,496	158,350
<b>Planning and Zoning</b>						
Planning & Zoning	31,798	2,293	119,908	---	---	153,999
<b>2018</b>	<b>1,437,492</b>	<b>2,293</b>	<b>2,935,693</b>	<b>180,476</b>	<b>1,172,800</b>	<b>5,728,754</b>

**Township of Augusta**  
**Notes to the Consolidated Financial Statements**

**December 31, 2019**

**15. Budget Figures**

The 2019 budget amounts that were approved were not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Board Standards). The budget included capital items such as infrastructure replacements and estimated costs for constructed assets, as program expenses, but the actual expenses have been removed in the Statement of Operations. The revenues attributable to these items continue to be included in the Statement of Operations, resulting in a significant variance. The following analysis is provided to assist readers in their understanding of differences between the approved budget and the audited financial statements:

	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Total Revenues	6,330,743	6,683,076
Total Expenses	5,013,174	6,144,195
Net Revenues	1,317,569	538,881
Amortization	---	1,317,844
Adjusted Net Revenues	1,317,569	1,856,725
Capital Revenues	303,653	387,270
Funds Available	1,621,222	2,243,995
Capital Expenses	(1,820,566)	(3,443,743)
Decrease in Operating Surplus	(199,344)	(1,199,748)
<b>Allocated as follows:</b>		
Net transfers (from) to reserves	(199,344)	2,198,107
Unfunded capital projects	---	(3,400,000)
Library Board surplus	---	4,808
Police Service Board surplus	---	(2,663)
	(199,344)	(1,199,748)



**Township of Augusta**  
**Schedule 1 ▶ Continuity of Reserves and Reserve Funds**

For the year ended December 31	(Note 15) Budget	2019	2018
	\$	\$	\$
<b>Net Transfers From / (To) Other Funds</b>			
Transfers from operations	1,459,729	2,372,357	1,455,593
Transfers to capital acquisitions	(1,659,073)	(174,250)	(1,807,956)
<b>Total Net Transfers</b>	(199,344)	2,198,107	(352,363)
<b>Reserves and Reserve Fund Balances, Change in Year</b>	(199,344)	2,198,107	(352,363)
<b>Reserves and Reserve Fund Balances, Beginning of Year</b>	2,992,671	2,992,671	3,345,034
<b>Reserves and Reserve Fund Balances, End of Year</b>	2,793,327	5,190,778	2,992,671

**Composition of Reserves and Reserve Funds**

For the year ended December 31	2019	2018
	\$	\$
<b>Reserves set aside for specific purposes by Council:</b>		
▶ for working capital	858,415	699,708
▶ for insurance deductible	70,000	50,000
▶ for elections	12,426	6,426
▶ for recreation	42,986	21,338
▶ for municipal drains	1,000	1,000
▶ for library	5,331	5,000
▶ for economic development	64,865	31,217
	<b>1,055,023</b>	814,689
<b>For Capital Purposes</b>		
▶ for administrative equipment	83,557	74,702
▶ for modernization projects	583,000	---
▶ for fire building	500,607	---
▶ for fire vehicle / equipment	152,683	55,594
▶ for roads equipment	604,771	460,632
▶ for salt dome	50,880	40,680
▶ for roads construction	1,299,778	807,685
▶ for bridge repairs	840,179	728,689
	<b>4,115,455</b>	2,167,982
<b>Total Reserves</b>	<b>5,170,478</b>	2,982,671
<b>Reserve Funds</b>		
▶ for capital landfill	20,300	10,000
<b>Total Reserve Funds</b>	<b>20,300</b>	10,000
<b>Total Reserves and Reserve Funds</b>	<b>5,190,778</b>	2,992,671

The accompany notes are an integral part of these consolidated financial statements.

**Township of Augusta**  
**Schedule 2 ▶ 2019 Tangible Capital Assets**

Asset Class	Cost 01/01/19	Additions	(Disposals)	Cost 31/12/19
	\$	\$	\$	\$
Land	597,529	279,486	---	<b>877,015</b>
Buildings	5,038,130	2,967,711	(95,000)	<b>7,910,841</b>
Furniture and Equipment	699,959	84,936	---	<b>784,895</b>
Vehicles	4,754,661	---	---	<b>4,754,661</b>
Roads	19,863,709	387,270	---	<b>20,250,979</b>
Bridges	1,767,933	---	---	<b>1,767,933</b>
Construction in Progress	279,486	(275,660)	---	<b>3,826</b>
	<b>33,001,407</b>	<b>3,443,743</b>	<b>(95,000)</b>	<b>36,350,150</b>

Asset Class	Accumulated Amortization 01/01/19	Amortization	(Disposals)	Accumulated Amortization 31/12/19	Net Book Value 31/12/19
	\$	\$	\$	\$	\$
Land	50,016	11,519	---	<b>61,535</b>	<b>815,480</b>
Buildings	1,649,293	195,316	(95,000)	<b>1,749,609</b>	<b>6,161,232</b>
Furniture and Equipment	408,207	57,470	---	<b>465,677</b>	<b>319,218</b>
Vehicles	2,979,368	219,678	---	<b>3,199,046</b>	<b>1,555,615</b>
Roads	11,919,362	810,287	---	<b>12,729,649</b>	<b>7,521,330</b>
Bridges	804,615	23,574	---	<b>828,189</b>	<b>939,744</b>
Construction in Progress	---	---	---	---	<b>3,826</b>
	<b>17,810,861</b>	<b>1,317,844</b>	<b>(95,000)</b>	<b>19,033,705</b>	<b>17,316,445</b>

The accompany notes are an integral part of these consolidated financial statements.

**Township of Augusta**  
**Schedule 2 ▶ 2018 Tangible Capital Assets**

Asset Class	Cost 01/01/18	Additions	(Disposals)	Cost 31/12/18
	\$	\$	\$	\$
Land	597,529	---	---	597,529
Buildings	3,737,954	1,300,176	---	5,038,130
Furniture & Equipment	672,146	45,743	(17,930)	699,959
Vehicles	4,704,877	75,340	(25,556)	4,754,661
Roads	19,020,432	843,277	---	19,863,709
Bridges	1,767,933	---	---	1,767,933
Construction in Progress	279,486	---	---	279,486
	30,780,357	2,264,536	(43,486)	33,001,407

Asset Class	Accumulated Amortization 01/01/18	Amortization	(Disposals)	Accumulated Amortization 31/12/18	Net Book Value 31/12/18
	\$	\$	\$	\$	\$
Land	45,486	4,530	---	50,016	547,513
Buildings	1,563,958	85,335	---	1,649,293	3,388,837
Furniture & Equipment	373,654	52,483	(17,930)	408,207	291,752
Vehicles	2,753,875	227,623	(2,130)	2,979,368	1,775,293
Roads	11,140,105	779,257	---	11,919,362	7,944,347
Bridges	781,043	23,572	---	804,615	963,318
Construction in Progress	---	---	---	---	279,486
	16,658,121	1,172,800	(20,060)	17,810,861	15,190,546

The accompany notes are an integral part of these consolidated financial statements.

## INDEPENDENT AUDITOR'S REPORT

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To the Members of Council, Inhabitants and Ratepayers  
of the Corporation of the Township of Augusta:

### Opinion

We have audited the statement of financial statements of the trust fund of the Corporation of the Township of Augusta (the 'Entity'), which comprise:

- the statement of financial position as at December 31, 2019;
- the statement of financial activities for the year then ended;
- and the 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, 2019, and its financial activities 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 **'Auditors' 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 judgement 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 of 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 auditors' 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 auditors' 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.



Allan and Partners LLP  
Chartered Professional Accountants  
Licensed Public Accountants

Perth, Ontario  
September 13, 2021.

**Township of Augusta  
Trust Fund  
Statement of Financial Position**

December 31	2019	2018
	\$	\$
<b>ASSETS</b>		
Cash	2,548	2,458
<b>LIABILITIES</b>		
Fund balance	2,548	2,458

**Statement of Financial Activities**

For the year ended December 31	2019	2018
	\$	\$
<b>REVENUES</b>		
Perpetual care fees	90	70
<b>NET REVENUES FOR THE YEAR</b>	<b>90</b>	70
<b>BALANCE AT THE BEGINNING OF THE YEAR</b>	<b>2,458</b>	2,388
<b>BALANCE AT THE END OF THE YEAR</b>	<b>2,548</b>	2,458

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

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**Township of Augusta  
Trust Fund  
Notes to the Financial Statements**

**December 31, 2019**

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**1. Significant Accounting Policies**

**Reporting Entity**

Perpetual care receipts are reported on the cash basis of accounting and interest income is reported on the accrual basis of accounting.

Expenses are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting, which recognizes expenses as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

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