



September 23, 2019

Allan and Partners LLP
Chartered Professional Accountants
22 Wilson Street West
Perth, ON K7H 2M9

Dear Sir:

This representation letter is provided in connection with your audit of the consolidated financial statements of the Corporation of the Township of Augusta and its related entities ("the Municipality") for the year ended December 31, 2018, for the purpose of expressing an opinion as to whether the consolidated financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards ("PSAS").

Certain representations in this letter are described as being limited to matters that are material. An item is considered material, regardless of its monetary value, if it is probable that its omission from or misstatement in the consolidated financial statements would influence the decision of a reasonable person relying on the consolidated financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of September 23, 2019, the following representations made to you during your audit:

Consolidated Financial Statements

1. We have fulfilled our responsibilities as set out in the terms of the audit engagement letter dated October 14, 2016 for the preparation of the consolidated financial statements in accordance with PSAS. In particular, the consolidated financial statements are fairly presented, in all material respects, and present the financial position of the Municipality as at December 31, 2018, and its results of operations, changes in net debt and its cash flows for the year then ended in accordance with PSAS.
2. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the consolidated financial statements, such as accounting records, supporting data and other relevant documentation;
 - b. Minutes of the meetings of Council and Committees or summaries of actions taken for which minutes have not yet been prepared;
 - c. Additional information that you have requested from us for the purpose of the audit; and
 - d. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

3. There are no material transactions that have not been properly recorded in the accounting records underlying the consolidated financial statements.
4. We believe the effects of uncorrected misstatements are immaterial, individually and in aggregate, to the consolidated financial statements as a whole. A list of the uncorrected misstatements is attached to this letter.
5. We have disclosed to you any change in the Municipality's internal control over financial reporting that occurred during the current year that has materially affected, or is reasonably likely to materially affect, the Municipality's internal control over financial reporting.

Fraud and Non-Compliance

6. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud or error. We have communicated to you any deficiencies in the design and implementation or the maintenance of internal control over financial reporting of which management is aware.
7. We have disclosed to you the results of our assessment of the risk that the consolidated financial statements may be materially misstated as a result of fraud or error.
8. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the consolidated financial statements.
9. We have disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the Municipality's consolidated financial statements and all knowledge of concerns or allegations of potential errors in the selection of accounting policies or the recording of transactions affecting the Municipality that have been communicated by employees, former employees, analysts, regulators or others, whether written or oral.
10. We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations that should be considered when preparing the consolidated financial statements.
11. We have disclosed to you, and the Municipality has complied with, all aspects of contractual agreements that could have a material effect on the consolidated financial statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
12. We have disclosed to you all communications from:
 - a. Taxation authorities concerning assessments or reassessments that could have a material effect on the consolidated financial statements and
 - b. Regulatory agencies concerning non-compliance with or potential deficiencies in financial reporting requirements. We are unaware of any known or probable instances of non-compliance with the requirements of regulatory or governmental authorities, including their financial reporting requirements.
13. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the consolidated financial statements. As appropriate, these items have been disclosed and accounted for in the consolidated financial statements in accordance with PSAS.

Related Parties

14. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.
15. All related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of PSAS.

Estimates

16. We acknowledge our responsibility for determining the accounting estimates required for the preparation of the consolidated financial statements in accordance with PSAS. Those estimates reflect our judgment based on our knowledge and experience of past and current events, and on our assumptions about conditions we expect to exist and courses of action we expect to take. We believe that the significant assumptions and measurement methods used by us in making accounting estimates, including those measured at fair value, are reasonable.

Fair Value Measurements

17. With regard to fair value measurements and disclosures in the consolidated financial statements, we believe that:
 - a. The measurement methods, including the related assumptions, used in determining fair value were appropriate, reasonable and consistently applied in accordance with PSAS.
 - b. The completeness and adequacy of the disclosures related to fair values are in accordance with PSAS.
 - c. No events have occurred subsequent to December 31, 2018 that require adjustment to the fair value measurements and disclosures included in the consolidated financial statements.
 - d. The fair value measurements and disclosures in the consolidated financial statements reflect management's intent and ability to carry out specific courses of action on behalf of the Municipality when relevant to the use of fair value measurements or disclosures.

Work of Management's Experts

18. We agree with the work of management's experts in evaluating the landfill liability, employee future benefits liability and contaminated sites liability, and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the consolidated financial statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

Accounting Policies

19. All significant accounting policies are disclosed in the consolidated financial statements and are consistent with those used in the previous period.

Title to Assets

20. The Municipality has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the consolidated financial statements all assets that have been pledged as collateral, where applicable.

Future Plans

21. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the consolidated financial statements.

Accounts Receivables

22. All amounts receivable by the Municipality were recorded in the books and records.
23. All receivables were free from hypothecation or assignment.

Tangible Capital Assets

24. All charges to tangible capital asset accounts represented the actual cost of additions to tangible capital assets. No significant tangible capital asset additions were charged to repairs and maintenance or other expense accounts.
25. Book values of tangible capital assets sold, destroyed, abandoned or otherwise disposed of have been eliminated from the accounts.
26. Tangible capital assets owned by the Municipality are being amortized on a systematic basis over their estimate useful lives, and the provision for amortization was calculated on a basis consistent with that of the previous date.
27. All lease agreements covering property leased by the Municipality have been disclosed to you and classified as capital or operating, as appropriate.

Liabilities and Contingencies

28. We have disclosed to you all liabilities and contingencies, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the consolidated financial statements.
29. We are unaware of any violations or possible violations of laws or regulations the effects of which should be considered for disclosure in the consolidated financial statements or as the basis of recording a contingent loss.

Deferred Revenue

30. All material amounts of deferred revenue meet the definition of a liability and were appropriately recorded in the books and records.

Employee Future Benefits

31. All arrangements, whether formal or informal, explicit or implied, to provide retirement income and other post-retirement benefits to employees after they cease employment, have been identified to you and have been included in the last actuarial valuation.
32. The actuarial assumptions and methods used to measure liabilities and costs for financial accounting purposes for pension and other post-retirement benefits are appropriate in the circumstances.
33. The employee future benefit costs, assets and obligations have been determined, accounted for and disclosed in accordance with PS 3250 – Retirement Benefits and PS 3255 – Post-employment Benefits, Compensated Absences and Termination Benefits.

Journal Entries


34. We have reviewed, approved and recorded all of your proposed adjustments to our accounting records. This includes journal entries, changes to account coding, classification of certain transactions and preparation of, or changes to, certain accounting records.

Subsequent Events

35. There have been no events between the statement of financial position date and the date of this letter that would require recognition or disclosure in the consolidated financial statements.

36. There have been no events subsequent to the statement of financial position date of the comparative financial statements that would require adjustment or disclosure in the current consolidated financial statements.

Yours truly,



Ray Morrison/CAO/Treasurer



Mark McDonald, Deputy-Treasurer