
CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

FINANCIAL REPORT

December 31, 2010

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

December 31, 2010

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**Craig
Keen
Despatie
Markell
LLP**

To the Members of Council, Inhabitants and Ratepayers of
the Corporation of the Township of Edwardsburgh/Cardinal

We have audited the consolidated financial statements of the Corporation of the Township of Edwardsburgh/Cardinal, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statements of financial activities, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants for local municipalities and its local boards 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Township of Edwardsburgh/Cardinal as at December 31, 2010 and its consolidated financial activities change in net financial assets and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Robert W. Craig
B.COMM., FCA, (Ret.)

Brian D. Keen
B.COMM., CA

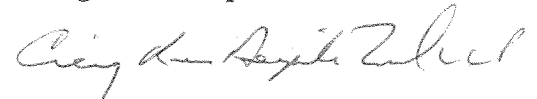
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Cornwall, Ontario
August 15, 2011

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CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2010

	2010	2009
NET FINANCIAL ASSETS		
Assets		
Cash	\$ 3,971,280	\$ 3,622,201
Taxes receivable	641,925	514,803
Accounts receivable	1,074,667	1,306,289
Inventory for resale	870,494	866,550
Long-term receivable	225,000	225,000
Investment in Government Business Enterprises (Note 2)	16,112,210	13,091,477
	22,895,576	19,626,320
Liabilities		
Accounts payable	474,585	637,891
Accrued interest on municipal debt	7,237	709
Deferred revenue - obligatory reserve funds (Note 3)	581,344	374,390
Net municipal debt (Note 4)	2,826,268	3,243,495
Accrued landfill closure and post closure costs (Note 5)	224,744	200,825
	4,114,178	4,457,310
Net Financial Assets	18,781,398	15,169,010
Non-Financial Assets		
Tangible capital assets	24,722,223	24,875,960
Inventory	45,216	86,569
	24,767,439	24,962,529
Accumulated Surplus	\$ 43,548,837	\$ 40,131,539

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2010

	BUDGET 2010	ACTUAL 2010	ACTUAL 2009
REVENUE			
Taxation (Note 1(a)(iii))	\$ 3,510,286	\$ 3,570,586	\$ 3,073,264
Taxation from other governments	119,350	131,265	118,833
Fees and service charges	3,126,570	3,317,990	3,159,725
Province of Ontario	1,576,649	1,096,037	1,387,124
Investment income	107,600	150,632	143,339
Gain (loss) on disposal of tangible capital assets	-	3,485	(46,155)
Donations	17,900	23,796	20,408
Equity income from Government Business Enterprises	-	3,020,733	2,464,376
	8,458,355	11,314,524	10,320,914
EXPENDITURE			
General government	1,083,530	1,095,129	850,378
Protection to persons and property	1,778,070	1,721,204	1,656,659
Transportation services	1,867,857	1,892,895	2,259,652
Environmental services	2,231,822	2,098,786	2,169,787
Health services	10,000	-	-
Social and family services	5,000	-	-
Recreation and cultural services	1,041,090	1,015,741	1,007,146
Planning and development	132,907	73,471	191,022
	8,150,276	7,897,226	8,134,644
ANNUAL SURPLUS	308,079	3,417,298	2,186,270
ACCUMULATED SURPLUS, beginning of year	40,131,539	40,131,539	37,945,269
ACCUMULATED SURPLUS, end of year	\$ 40,439,618	\$ 43,548,837	\$ 40,131,539

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2010

	BUDGET 2010	ACTUAL 2010	ACTUAL 2009
Annual surplus	\$ 308,079	\$ 3,417,298	\$ 2,186,270
Amortization of tangible assets	-	1,382,820	1,685,536
Acquisition of tangible capital assets	-	(1,229,093)	(4,120,136)
Proceeds on sale of tangible capital assets	-	3,490	25,034
Transfers of capital assets from WIP to tangible capital assets	-	-	2,673,819
Loss on sale of tangible capital assets	-	(3,485)	46,155
Change in inventory	-	41,358	7,078
Increase in net financial assets	-	3,612,388	2,503,756
Net financial assets, beginning of year	15,169,010	15,169,010	12,665,254
Net financial assets, end of year	\$ 15,169,010	\$ 18,781,398	\$ 15,169,010

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2010

	2010	2009
CASH FROM OPERATING ACTIVITIES		
Net surplus for the year	\$ 3,417,298	\$ 2,186,270
Items not affecting cash		
Amortization expense	1,382,820	1,685,536
(Gain) loss on sale of tangible capital assts	(3,485)	46,155
Changes in non cash working capital balances		
Taxes receivable	(127,122)	(19,709)
Accounts receivable	231,622	(649,406)
Inventory	41,353	7,078
Inventory for resale	(3,944)	(6,280)
Accounts payable	(163,302)	70,525
Accrued interest on municipal debt	6,528	(183)
Deferred revenue - obligatory reserve funds	206,954	38,738
Accrued landfill closure and post closure costs	23,919	7,412
	5,012,641	3,366,136
CASH (USED IN) FROM FINANCING ACTIVITIES		
Repayment of municipal debt	(417,226)	(231,827)
Proceeds from the issue of municipal debt	-	2,371,500
	(417,226)	2,139,673
CASH USED IN INVESTING ACTIVITIES		
Proceeds on disposal of capital assets	3,490	25,034
Acquisition of tangible capital assets	(1,229,093)	(4,120,136)
Transfer of WIP to tangible capital asset	-	2,673,819
Increase in investment in Government Business Enterprises	(3,020,733)	(2,464,376)
	(4,246,336)	(3,885,659)
INCREASE IN CASH AND EQUIVALENT	349,079	1,620,150
CASH AND EQUIVALENT, beginning of year	3,622,201	2,002,051
CASH AND EQUIVALENT, end of year	\$ 3,971,280	\$ 3,622,201
REPRESENTED BY :		
Cash	\$ 3,971,280	\$ 3,622,201

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2010

	Land	Buildings	Vehicles	Equipment	Plants and Facilities	Roads	Water and Sewer	Bridges	WIP	2010	2009
Cost											
Balance, beginning of year	\$ 695,111	\$ 4,163,761	\$ 2,979,864	\$ 2,443,268	\$ 15,829,625	\$ 12,570,071	\$ 7,115,049	\$ 2,119,467	\$ -	\$ 47,916,216	\$ 47,023,170
Additions during the year	-	6,900	327,121	217,706	-	548,819	3,946	124,601	-	1,229,093	4,120,136
Disposals during the year	-	-	26,030	-	-	402,399	-	-	-	428,429	3,130,169
Balance, end of year	695,111	4,170,661	3,280,955	2,660,974	15,829,625	12,716,491	7,118,995	2,244,068	-	48,716,880	48,013,137
Accumulated Amortization											
Balance, beginning of year	-	1,695,773	1,705,645	1,641,396	5,171,278	9,438,548	2,459,538	928,079	-	23,040,257	21,836,801
Amortization during the year	-	99,419	187,622	150,711	409,889	358,542	119,901	56,736	-	1,382,820	1,685,536
Amortization on disposals	-	-	26,028	-	-	402,392	-	-	-	428,420	385,160
Balance, end of year	-	1,795,192	1,867,239	1,792,107	5,581,167	9,394,698	2,579,439	984,815	-	23,994,657	23,137,177
Net book value	\$ 695,111	\$ 2,375,469	\$ 1,413,716	\$ 868,867	\$ 10,248,458	\$ 3,321,793	\$ 4,539,556	\$ 1,259,253	\$ -	\$ 24,722,223	\$ 24,875,960

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2010

	General Government	Protection Services	Transportation Services	Environmental Services	Health and Recreation	2010		2009	
Cost									
Balance, beginning of year	\$ 594,611	\$ 2,834,421	\$ 17,228,987	\$ 23,875,390	\$ 3,382,807	\$ 47,916,216	\$ 47,023,170		
Additions during the year	2,211	329,723	775,128	80,466	41,565	1,229,093	4,120,136		
Disposals during the year	-	14,932	413,497	-	-	428,429	3,130,169		
balance, end of year	596,822	3,149,212	17,590,618	23,955,856	3,424,372	48,716,880	48,013,137		
Accumulated Amortization									
Balance, beginning of year	262,744	1,313,621	11,969,472	7,879,590	1,614,830	23,040,257	21,836,801		
Amortization during the year	14,725	118,022	556,283	573,951	119,839	1,382,820	1,685,536		
Amortization on disposals	-	14,931	413,489	-	-	428,420	385,160		
Balance, end of year	277,469	1,416,712	12,112,266	8,453,541	1,734,669	23,994,657	23,137,177		
Net book value	\$ 319,353	\$ 1,732,500	\$ 5,478,352	\$ 15,502,315	\$ 1,689,703	\$ 24,722,223	\$ 24,875,960		

See Accompanying Notes

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS

For the year ended December 31, 2010

	2010	2009
Surpluses		
Invested in tangible capital assets	\$ 21,895,953	\$ 21,632,465
Operating surplus	-	(103,206)
Land inventory surplus	870,494	866,550
Spencerville sewage system	(53,100)	(73,295)
Local boards surpluses (Library and Cardinal Community Centre)	63,521	63,260
Capital surplus	3,309	3,309
Cardinal special area rate	77,912	(60,814)
Investment in Government Business Enterprises	16,112,210	13,091,477
Unfunded liabilities to be recovered from future revenues		
Accrued interest on municipal debt	(7,237)	(709)
Accrued landfill closure and post closure	(224,744)	(200,825)
Total operating surplus	38,738,318	35,218,212
Reserves and reserve funds		
Reserves set aside for specific purposes by Council:		
. for working capital	750,000	750,001
. for capital expenditures	1,994,259	2,252,193
. for water and sewer	58,000	58,000
Total reserves	2,802,259	3,060,194
Reserve funds set aside for specific purpose by legislation, regulation or agreement		
. for water and sewer	717,866	595,626
. for subdivision	70,285	69,874
. for industrial park	769,598	765,103
. for endowment	450,511	422,530
Total reserve funds	2,008,260	1,853,133
Total reserves and reserve funds	4,810,519	4,913,327
ACCUMULATED SURPLUS	\$ 43,548,837	\$ 40,131,539

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Township of Edwardsburgh/Cardinal are the representations of management prepared in accordance with Canadian generally accepted accounting policies prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants, prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgements.

(a) Basis of Consolidation

(i) Consolidated Entities

These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund and reserve funds and reserves and include the activities of all committees of Council and the following local boards:

Township of Edwardsburgh/Cardinal Library Board

Cardinal and District Community Centre

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of any funds of the municipality which results in consolidated interest income and expenditures during the year.

These consolidated financial statements reflect the investment in any government business enterprises and are consolidated using the modified equity method. Under the modified equity basis, the enterprises accounting principles are not adjusted to conform with those of the Township and intergovernmental transactions and balances are not eliminated. The following government business enterprise is consolidated based on the Township's share of ownership.

Port of Prescott

Rideau St. Lawrence Holdings Inc.

(ii) Non-Consolidated Entities

There are no non-consolidated entities.

(iii) Accounting for United Counties of Leeds and Grenville and School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards, and the United Counties of Leeds and Grenville are not reflected in the municipal fund balances of these financial statements.

(iv) Trust funds

Trust funds and their related operations administered by the municipality are not consolidated.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Accounting

(i) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Deferred revenue

Deferred revenue represents user charges and fees that have been collected but the services have yet to be performed. These amounts will be recognized as revenues in the year the services are performed.

(c) Financial Instruments

(i) Fair value of financial instruments

CICA 3855 establishes standards for recognizing and measuring financial assets, financial liabilities and derivatives. This standard prescribes when to recognize a financial instrument in the balance sheet and at what amount. Depending on the classification, fair value or cost based measures are used. The standard also prescribes the basis of presentation for gains and losses on financial instruments. Based on financial instrument classification, gains, and losses on financial instruments are recognized in net income or comprehensive income.

(i) Cash is classified as “held for trading”. It is measured at fair value and any gains or losses resulting from the re-measurement at the end of each period are recognized in net income.

(ii) Taxes receivable and accounts receivable are classified as “loans and receivables”. They are recorded at cost, which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest method.

(iii) Accounts payable, accrued interest on municipal debt, deferred revenue, and net municipal debt are classified as “financial liabilities”. They are recorded at their cost which upon their initial measurement is equal to their fair value. Subsequent measurements are recorded at amortized cost using the effective interest method.

The carrying amounts, of the aforementioned assets and liabilities in (i), (ii), and (iii), approximate fair values due to the immediate and short-term maturities of these financial instruments. The carrying value of long-term debt is based on the quoted market prices for the same and similar debt instruments.

(ii) Concentration of credit risk

The corporation does not believe it is subject to any significant concentration of credit risk. Cash is held in credit-worthy financial institutions. Taxes and accounts receivable are the result of taxation or services to corporations, public sector organizations and individuals geographically concentrated within Eastern Ontario.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Non-financial assets

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.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes 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 improvements	15 years
Buildings	10 to 50 years
Machinery and equipment	10 years
Vehicles	5 to 10 years
Computer hardware and software	5 to 10 years
Water and waste plants and networks	
underground networks	50 to 100 years
sewage treatment plants	50 to 75 years
water pumping stations and reservoirs	50 to 75 years
flood stations and other infrastructure	50 to 75 years
Transportation	
roads	10 to 50 years
bridges and structures	25 to 75 years
Leased assets	5 to 40 years

A full year of amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use, at which time they are capitalized.

Active landfills are amortized annually based on the remaining estimated useful life. The estimated costs to close and maintain currently active landfill sites are based on estimated future expenses in current dollars, adjusted for estimated inflation, and are charged to expense as the landfill sites capacity is used.

The Township has a capitalization threshold of \$25,000 so that individual tangible capital assets of lesser value are expensed, unless they are pooled because, collectively, they have significant value, or for operational reasons.

(ii) Contributions of tangible capital assets

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 the asset as of the date of the transfer.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Non-financial assets (Continued)

(iii) 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.

(iv) Inventory

Inventory held for consumption are recorded at the lower of cost or replacement cost.

2. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

	Rideau St. Lawrence Holdings Inc.	Port of Prescott (Note 11)	2010 Total	2009 Total
Investment, beginning of year	\$ 542,923	\$ 12,548,554	\$ 13,091,477	\$ 10,627,101
Share of net income for the year	31,609	3,004,620	3,036,229	2,478,680
Dividends received	(15,496)	-	(15,496)	(14,304)
Investment, end of year	\$ 559,036	\$ 15,553,174	\$ 16,112,210	\$ 13,091,477

The Township of Edwardsburgh/Cardinal owns 11.92 % of the outstanding share capital of Rideau St. Lawrence Holdings Inc. and is the sole proprietor for the Port of Prescott.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

(a) The following table provides condensed supplementary financial information for Port of Prescott:

Financial Position

	2010	2009
Cash	\$ 4,985,989	\$ 3,415,925
Investments	5,064,993	5,037,885
Capital	7,514,891	3,558,689
Other assets	3,513,123	3,315,444
Total Assets	21,078,996	15,327,943
Current liabilities	1,114,191	1,041,639
Deferred contributions	4,411,631	1,737,750
Total Liabilities	5,525,822	2,779,389
Net Assets	\$ 15,553,174	\$ 12,548,554

Financial Activities

	2010	2009
Total revenue	\$ 7,285,528	\$ 6,367,118
Total expenses	4,280,908	3,920,677
Net Income	\$ 3,004,620	\$ 2,446,441

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

(b) The following table provides condensed supplementary financial information for Rideau St. Lawrence Holdings Inc.:

Financial Position

	2010	2009
Current assets	\$ 3,868,660	\$ 3,478,834
Capital	4,592,965	4,598,065
Regulatory assets	478,190	1,165,899
Total Assets	8,939,815	9,242,798
Current liabilities	3,005,148	3,364,714
Customer deposits	81,407	89,031
Long-term debt	1,163,352	1,234,322
Total Liabilities	4,249,907	4,688,067
Net Assets	\$ 4,689,908	\$ 4,554,731

Financial Activities

	2010	2009
Total revenue	\$ 11,642,236	\$ 11,494,716
Total expenses	11,377,059	11,224,247
Net Income	\$ 265,177	\$ 270,469
Township share of net income (11.92%)	\$ 31,609	\$ 32,240

3. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of PSAB 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 are summarized as follows:

	2010	2009
Federal gas tax rebate	\$ 581,173	\$ 374,220
Parkland	171	170
	\$ 581,344	\$ 374,390

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

4. MUNICIPAL DEBT

(a) The balance of municipal debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2010	2009
Loan payable, interest at 2.1%, payable in blended monthly payments of \$9,634, due December 2012	\$ 224,110	\$ 332,709
Loan payable, interest at 3.75%, payable in blended monthly payments of \$12,355, due November 2013	409,030	539,286
Loan payable, interest at 4.3%, payable in blended monthly payments of \$21,708, due November 2019	2,193,128	2,371,500
Net municipal debt at the end of the year	\$ 2,826,268	\$ 3,243,495

Principal payments assuming the loans are renewed under the same terms and conditions are as follows:

2011	\$ 468,753
2012	486,013
2013	376,018
2014	253,238
2015	264,344
Thereafter	977,902
	\$ 2,826,268

(b) Of the net municipal debt reported in (a) of this note, principal payments are payable from the following sources as follows:

	2010	2009
General municipal revenues	\$ 224,110	\$ 332,709
Benefiting landowners	2,602,158	2,910,786
	\$ 2,826,268	\$ 3,243,495

(c) All long-term liabilities issued have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(d) The municipality is contingently liable for municipal debt with respect to tile drainage. The total amount outstanding as at December 31, 2010 is \$18,389 (2009 - \$21,321) and is not recorded on the Consolidated Statement of Financial Position.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

5. ACCRUED LANDFILL CLOSURE AND POST CLOSURE COSTS

The municipality operates one solid waste landfill site. The estimated remaining useful life is five years. The estimate associated with closure and post-closure include costs such as clay, topsoil, hydro seed, site preparation, equipment, ditching, drainage, fencing and post closure monitoring estimated for 5 years. Total closure and post-closure costs are estimated to be \$296,500 with \$224,744 (2009 - \$200,825) being accrued at the end of the current fiscal year. During the year \$23,919 (2009 - \$7,412) was amortized and charged to Current Operations - Environment.

6. AMOUNTS TO BE RECOVERED FROM FUTURE REVENUES

Unfunded liabilities to be recovered from future revenues are as follows:

	2010	2009
Future taxation revenue	\$ -	\$ 200,825
Local improvement charges	7,237	709
	\$ 7,237	\$ 201,534

7. EXPENDITURES BY OBJECT

Operating expenditures is summarized as follows:

	BUDGET 2010	ACTUAL 2010	ACTUAL 2009
Salaries and benefits	\$ 2,220,078	\$ 2,176,002	\$ 2,110,017
Interest on long-term debt	104,844	114,368	32,746
Materials and services	2,335,626	2,417,445	2,518,778
Contracts and sub-contracts	1,628,793	1,541,916	1,547,439
Rents and financial expenses	207,450	231,536	219,094
Transfers to external parties	33,135	33,135	21,033
Amortization expense	1,352,050	1,382,824	1,685,537
	\$ 7,881,976	\$ 7,897,226	\$ 8,134,644

8. TRUST FUNDS

Trust funds administered by the municipality amounting to \$1,753,965 have not been included in the Consolidated Statement of Financial Activities.

CORPORATION OF THE TOWNSHIP OF EDWARDSBURGH/CARDINAL
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2010

9. PENSION AGREEMENTS

The Township is a member of the Ontario Municipal Employees Retirement System ("OMERS") which is a multi-employer retirement plan. The plan is a defined benefit plan that specifies the amount of retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions were required on account of current services in 2010 in the amount of \$77,263.

10. BUDGET FIGURES

Budgets established for Capital, Reserves and Reserve Funds are based on a project-oriented basis, the costs of which may be carried out over one or more years.

11. PORT OF PRESCOTT

On October 12, 2000, the Township acquired ownership of the assets of the Port of Prescott from Canada Ports Corporation for \$60. This agreement stipulates the protocol for the disposition of Port of Prescott assets by the Township during the operating period (four years) and the monitoring period (thirty-one years).

12. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to current year's financial statement presentation.