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**TOWNSHIP OF SOUTH GLENGARRY**

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**FINANCIAL REPORT**

December 31, 2010

# TOWNSHIP OF SOUTH GLENGARRY

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To the Members of Council, Inhabitants and Ratepayers of  
the Township of South Glengarry

We have audited the accompanying financial statements of the Corporation of the Township of South Glengarry, 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.

*Administration's Responsibility for the Financial Statements*

Administration 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 administration 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 the 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 the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditor's judgment, 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 circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by administration, 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, the financial statements present fairly, in all material respects, the financial position of the Township of South Glengarry as at December 31, 2010, and its consolidated statement of financial activities, change in net financial assets and its 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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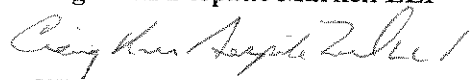
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Cornwall, Ontario  
May 20, 2011

**Craig Keen Despatie Markell LLP**



**CHARTERED ACCOUNTANTS**  
Licensed Public Accountants

**TOWNSHIP OF SOUTH GLENGARRY**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at December 31, 2010

	2010	2009
<b>NET FINANCIAL ASSETS</b>		
<b>Assets</b>		
Cash	\$ 1,537,617	\$ 1,222,943
Taxes receivable	3,757,427	3,633,141
Accounts receivable	2,172,294	2,322,334
	7,467,338	7,178,418
 <b>Liabilities</b>		
Accounts payable	1,273,188	1,458,500
Accrued interest on municipal debt	2,008	2,008
Deferred revenue - obligatory reserve funds (Note 2)	299,278	288,075
Municipal debt (Note 3)	651,857	856,722
Accrued landfill closure and post closure costs (Note 4)	1,121,970	1,090,385
	3,348,301	3,695,690
<b>Net Financial Assets</b>	4,119,037	3,482,728
 <b>Non-Financial Assets</b>		
Tangible capital assets	51,564,090	53,041,001
Inventory	14,135	10,367
	51,578,225	53,051,368
<b>Accumulated Surplus</b>	\$ 55,697,262	\$ 56,534,096

See Accompanying Notes

**TOWNSHIP OF SOUTH GLENGARRY**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

For the year ended December 31, 2010

	BUDGET 2010	ACTUAL 2010	ACTUAL 2009
<b>REVENUE</b>			
Taxation (Note 1(a)(iii))	\$ 5,995,355	\$ 6,095,491	\$ 5,851,958
Taxation from other governments	90,895	85,343	83,474
Fees and service charges	1,993,090	2,061,780	1,886,234
Grants	3,667,898	2,120,153	4,758,039
Investment income	461,000	484,737	469,542
Other	-	1,294	138,313
	12,208,238	10,848,798	13,187,560
<b>EXPENDITURE</b>			
General government	1,422,563	1,379,714	1,040,374
Protection to persons and property	1,302,890	1,412,169	1,808,606
Transportation services	4,429,170	4,282,715	4,653,422
Environmental services	3,429,844	2,902,248	2,617,882
Health services	181,725	100,129	29,755
Social and family services	-	-	3,323
Recreation and cultural services	1,439,231	1,332,883	1,447,216
Planning and development	300,310	275,774	200,197
	12,505,733	11,685,632	11,800,775
<b>ANNUAL (DEFICIT) SURPLUS</b>	(297,495)	(836,834)	1,386,785
<b>ACCUMULATED SURPLUS, beginning of year</b>	56,534,096	56,534,096	55,147,311
<b>ACCUMULATED SURPLUS, end of year</b>	\$ 56,236,601	\$ 55,697,262	\$ 56,534,096

See Accompanying Notes

**TOWNSHIP OF SOUTH GLENGARRY**

**CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS**

For the year ended December 31, 2010

	BUDGET 2010	ACTUAL 2010	ACTUAL 2009
Annual (deficit) surplus	\$ (297,495)	\$ (836,834)	\$ 1,386,785
Amortization of tangible assets	2,455,350	2,426,162	2,517,082
Acquisition of tangible capital assets	(3,079,400)	(1,034,620)	(9,311,763)
Proceeds on sale of tangible capital assets	-	18,317	28,336
Gain on sale of tangible capital assets	-	(1,294)	(11,313)
Transfers of capital assets from WIP to tangible capital assets	-	68,347	3,200,967
Change in inventory	-	(3,769)	(5,231)
Increase (decrease) in net financial assets	(921,545)	636,309	(2,195,137)
Net financial assets, beginning of year	3,482,728	3,482,728	5,677,865
Net financial assets, end of year	\$ 2,561,183	\$ 4,119,037	\$ 3,482,728

See Accompanying Notes

**TOWNSHIP OF SOUTH GLENGARRY**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the year ended December 31, 2010

	2010	2009
<b>CASH FROM OPERATING ACTIVITIES</b>		
Net (deficit) surplus for the year	\$ (836,834)	\$ 1,386,785
Items not affecting cash		
Amortization expense	2,426,162	2,517,082
Gain on sale of tangible capital assets	(1,294)	(11,313)
Changes in non cash working capital balances		
Taxes receivable	(124,286)	(371,183)
Accounts receivable	150,040	(3,101)
Inventory	(3,768)	(5,231)
Accounts payable	(185,313)	52,595
Accrued interest on municipal debt	-	(601)
Deferred revenue - obligatory reserve funds	11,203	(126,284)
Landfill closure and post closure costs	31,585	31,585
	<b>1,467,495</b>	<b>3,470,334</b>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Repayment of municipal debt	(204,865)	(224,918)
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Proceeds on disposal of capital assets	18,317	28,336
Acquisition of tangible capital assets	(1,034,620)	(9,311,763)
Transfer of WIP to tangible capital assets	68,347	3,200,967
	<b>(947,956)</b>	<b>(6,082,460)</b>
<b>INCREASE (DECREASE) IN CASH AND EQUIVALENT</b>	<b>314,674</b>	<b>(2,837,044)</b>
<b>CASH AND EQUIVALENT, beginning of year</b>	<b>1,222,943</b>	<b>4,059,987</b>
<b>CASH AND EQUIVALENT, end of year</b>	<b>\$ 1,537,617</b>	<b>\$ 1,222,943</b>
<b>REPRESENTED BY :</b>		
Cash	\$ 1,537,617	\$ 1,222,943

See Accompanying Notes

TOWNSHIP OF SOUTH GLENGARRY

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
<b>Cost</b>											
Balance, beginning of year	\$ 1,235,926	\$ 7,583,828	\$ 3,330,942	\$ 1,229,388	\$ 20,811,734	\$ 35,524,226	\$ 12,045,936	\$ 8,567,937	\$ 77,057	\$ 90,406,974	\$ 85,070,973
Additions during the year	-	32,621	-	169,925	156,839	570,366	-	-	36,522	966,273	9,311,763
Disposals during the year	-	-	-	-	-	271,876	-	-	-	271,876	3,975,762
Transfers	-	-	-	50,617	17,730	-	-	-	(68,347)	-	-
Balance, end of year	1,235,926	7,616,449	3,330,942	1,449,930	20,986,303	35,822,716	12,045,936	8,567,937	45,232	91,101,371	90,406,974
<b>Accumulated Amortization</b>											
Balance, beginning of year	-	2,590,462	1,959,000	746,254	8,045,516	17,514,667	1,935,808	4,574,266	-	37,365,973	35,606,660
Amortization during the year	-	157,430	165,768	106,907	550,743	1,158,537	125,890	160,887	-	2,426,162	2,517,082
Amortization on disposals	-	-	-	153,209	-	101,645	-	-	-	254,854	757,769
Balance, end of year	-	2,747,892	2,124,768	699,952	8,596,259	18,571,559	2,061,698	4,735,153	-	39,537,281	37,365,973
<b>Net book value</b>	<b>\$ 1,235,926</b>	<b>\$ 4,868,557</b>	<b>\$ 1,206,174</b>	<b>\$ 749,978</b>	<b>\$ 12,390,044</b>	<b>\$ 17,251,157</b>	<b>\$ 9,984,238</b>	<b>\$ 3,832,784</b>	<b>\$ 45,232</b>	<b>\$ 51,564,090</b>	<b>\$ 53,041,001</b>

See Accompanying Notes



TOWNSHIP OF SOUTH GLENGARRY

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
<b>Cost</b>							
Balance, beginning of year	\$ 1,584,708	\$ 4,073,583	\$ 47,151,738	\$ 33,324,423	\$ 4,195,465	\$ 90,329,917	\$ 84,993,916
Additions during the year	-	-	711,070	156,839	61,842	929,751	9,311,763
Disposals during the year	-	-	271,876	-	-	271,876	3,975,762
Transfers	-	-	-	17,730	50,617	68,347	-
<b>Assets in service, end of year</b>	<b>1,584,708</b>	<b>4,073,583</b>	<b>47,590,932</b>	<b>33,498,992</b>	<b>4,307,924</b>	<b>91,056,139</b>	<b>90,329,917</b>
Assets under construction	-	15,073	30,159	-	-	45,232	77,057
<b>All assets, end of year</b>	<b>1,584,708</b>	<b>4,088,656</b>	<b>47,560,773</b>	<b>33,498,992</b>	<b>4,307,924</b>	<b>91,101,371</b>	<b>90,406,974</b>
<b>Accumulated Amortization</b>							
Balance, beginning of year	233,888	1,515,332	23,769,889	10,109,267	1,737,597	37,365,973	35,606,660
Amortization during the year	26,524	148,417	1,472,663	690,818	87,740	2,426,162	2,517,082
Amortization on disposals	-	-	254,854	-	-	254,854	757,769
<b>Balance, end of year</b>	<b>260,412</b>	<b>1,663,749</b>	<b>24,987,698</b>	<b>10,800,085</b>	<b>1,825,337</b>	<b>39,537,281</b>	<b>37,365,973</b>
<b>Net book value</b>	<b>\$ 1,324,296</b>	<b>\$ 2,424,907</b>	<b>\$ 22,573,075</b>	<b>\$ 22,698,907</b>	<b>\$ 2,482,587</b>	<b>\$ 51,564,090</b>	<b>\$ 53,041,001</b>

See Accompanying Notes

**TOWNSHIP OF SOUTH GLENGARRY**  
**CONSOLIDATED SCHEDULE OF ACCUMULATED SURPLUS**

For the year ended December 31, 2010

	2010	2009
<b>Surpluses</b>		
Invested in tangible capital assets	\$ 51,209,151	\$ 52,466,040
Operating deficit	-	(29,316)
Water and sewer	(112,301)	44,909
Street lights	(8,038)	(2,553)
Unfunded liabilities to be recovered from future revenues		
Accrued interest on municipal debt	(2,008)	(2,008)
Accrued landfill closure and post closure	(1,121,970)	(1,090,385)
<b>Total operating surplus</b>	<b>49,964,834</b>	<b>51,386,687</b>
<b>Reserves and reserve funds</b>		
<b>Reserves set aside for specific purposes by Council:</b>		
. for working capital	1,692,291	1,111,679
. for hospital commitments	379,550	379,550
. for capital	429,239	562,772
. for fire	1,117,450	1,004,300
. for sewer and water	379,340	292,908
. for planning	60,000	45,000
. for roads	906,187	928,400
. for recreation and culture	397,342	419,493
. for other	371,029	403,307
<b>Total reserves</b>	<b>5,732,428</b>	<b>5,147,409</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 55,697,262</b>	<b>\$ 56,534,096</b>

See Accompanying Notes

**TOWNSHIP OF SOUTH GLENGARRY**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The consolidated financial statements of the Township of South Glengarry 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 reserves and include the activities of all committees of Council.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated.

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.

There are no government business enterprises.

(ii) Non-Consolidated Entities

There are no non-consolidated entities.

(iii) Accounting for United Counties 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 Stormont, Dundas and Glengarry are not reflected in the municipal fund balances of these financial statements.

(iv) Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the Trust Funds Balance Sheet and Statement of Continuity.

**(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 represent 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.

**TOWNSHIP OF SOUTH GLENGARRY**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2010

**(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.

**(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.

**TOWNSHIP OF SOUTH GLENGARRY**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2010

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Non-financial assets (Continued)**

**(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	20 to 40 years
Buildings	20 to 50 years
Machinery and equipment	3 to 10 years
Vehicles	5 to 20 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	7 to 50 years
bridges and structures	25 to 75 years

One half of the annual amortization is charged in the year of acquisition and 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. Examples of pool of assets are desktop computer systems, vehicles, utility poles and defibrillators.

**(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.

**(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.

**TOWNSHIP OF SOUTH GLENGARRY**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2010

**2. 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
Parkland	\$ 15,583	\$ 6,529
Development charges	283,537	281,177
Federal gas tax rebate	158	369
	<b>\$ 299,278</b>	<b>\$ 288,075</b>

**3. MUNICIPAL DEBT**

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

	2010	2009
Bank term loan, interest at 6.5%, repayable in blended monthly payments of \$2,233 due February 2012	\$ 29,589	\$ 53,353
Bank term loan, interest at 10%, repayable in blended annual payments of \$7,130, due June 2012	12,375	17,733
Bank term loan, interest at 10%, repayable in blended annual payments of \$6,284, due May 2012	10,906	15,627
Bank term loan, interest at 6.28%, repayable in blended monthly payments of \$17,628 due June 2012	302,071	488,248
Tile drain loans, interest at 10%, repayable over a ten year period in blended payments ranging between \$2,000 and \$4,000, maturity dates ranging from 2012 to 2015	296,916	281,761
<b>Municipal debt at the end of the year</b>	<b>\$ 651,857</b>	<b>\$ 856,722</b>

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

2011	\$ 278,825
2012	160,059
2013	36,351
2014	38,533
2015	40,845
Thereafter	97,244
	<b>\$ 651,857</b>

**TOWNSHIP OF SOUTH GLENGARRY**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2010

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

General municipal revenues	\$	-
Benefiting landowners		302,071
Local improvement charges		349,786
	\$	<b>651,857</b>

(c) All municipal debt issued on or before December 31, 1992 has received approval from the Ontario Municipal Bord. Municipal debt issued on or after January 1, 1993 has 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 \$302,071 and is not recorded on the Consolidated Statement of Financial Position.

**4. ACCRUED LANDFILL CLOSURE AND POST-CLOSURE**

The Municipality operates two solid waste landfill sites. One has an estimated remaining life of seven years and the other has an estimated remaining life of 30 to 40 years as the result of an amended provisional certificate of approval from the Ministry of the Environment dated December 15, 2003. 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 \$1,433,300 with \$1,121,970 (2009 - 1,090,385). being accrued at the end of the current fiscal year. These costs are to be recovered from future taxation revenue and reserves.

**5. OPERATING EXPENDITURES BY OBJECT**

	BUDGET 2010	ACTUAL 2010	ACTUAL 2009
Wages and benefits	\$ 2,903,965	\$ 3,005,904	\$ 2,707,068
Interest on municipal debt	321,340	98,838	170,236
Materials and services	5,230,663	4,611,440	4,396,585
Contracted services	1,062,100	975,426	1,387,816
Insurance and other financial costs	200,380	216,348	207,132
Third party transfers	335,135	300,898	414,856
Amortization	2,455,350	2,476,778	2,517,082
	\$ 12,508,933	\$ 11,685,632	\$ 11,800,775

**TOWNSHIP OF SOUTH GLENGARRY**  
**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended December 31, 2010

**6. 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 pay.

Contributions were required on account of current service in 2010 in the amount of \$234,817.

**7. TRUST FUNDS**

Trust funds administered by the municipality amounting to \$2,197 have not been included in the Consolidated Statement of Financial Activities.

**8. 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.

**9. COMMITMENTS**

The Township has committed to provide funding to the Cornwall Community Hospital in the amount of \$379,555 of which \$379,550 has been placed into a reserve.