

FINANCIAL STATEMENTS OF
LAKEFRONT UTILITIES INC.
December 31, 2010

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS	
Balance Sheet	1 - 2
Statement of Retained Earnings	3
Statement of Income	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 17

Collins Barrow Kawarthas LLP
418 Sheridan Street
Peterborough, Ontario
K9H 3J9

T. 705.742.3418
F. 705.742.9775

www.collinsbarrow.com

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Lakefront Utilities Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Lakefront Utilities Inc., which comprise the balance sheet as at December 31, 2010, and the statements of retained earnings, income 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, and for such internal controls 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 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 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 controls 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 controls. An audit also includes evaluating the appropriateness of 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, the financial statements present fairly, in all material respects, the financial position of Lakefront Utilities Inc. as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Collins Barrow Kawarthas LLP

Chartered Accountants
Licensed Public Accountants

Peterborough, Ontario
April 11, 2011

LAKEFRONT UTILITIES INC.**BALANCE SHEET****As at December 31, 2010**

	2010	2009
	\$	\$
ASSETS		
Current assets		
Cash	3,651,326	2,141,428
Accounts receivable	1,842,053	1,586,245
Unbilled revenue	3,442,157	2,817,654
Inventory	239,490	238,012
Prepaid expenses	50,110	46,588
Payments-in-lieu of income taxes (note 3)	65,155	222,900
	9,290,291	7,052,827
Other assets		
Property, plant and equipment (note 4)	10,906,076	10,853,308
Future income taxes (note 3)	515,000	555,000
Deferral accounts (note 5)	1,347,373	2,190,895
	12,768,449	13,599,203
	22,058,740	20,652,030

The accompanying notes are an integral part of these financial statements

LAKEFRONT UTILITIES INC.**BALANCE SHEET**

As at December 31, 2010

	2010	2009
	\$	\$
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	2,828,905	3,328,972
Customer deposits refundable within one year	293,453	165,000
	3,122,358	3,493,972
Long-term liabilities		
Customer deposits	77,994	209,063
Employee future benefits (note 7)	268,943	264,156
Long-term debt (note 8)	10,547,658	8,653,000
	10,894,595	9,126,219
	14,016,953	12,620,191
Shareholders' equity		
Share capital (note 9)	5,293,376	5,293,376
Retained earnings	2,748,411	2,738,463
	8,041,787	8,031,839
	22,058,740	20,652,030

Approved on behalf of the Board

Director_____
Director

The accompanying notes are an integral part of these financial statements

LAKEFRONT UTILITIES INC.
STATEMENT OF RETAINED EARNINGS
For the year ended December 31, 2010

	2010	2009
	\$	\$
Retained earnings - beginning of year, as previously stated	2,738,463	2,041,773
Other equity adjustment	-	545,000
Retained earnings, as restated	2,738,463	2,586,773
Net income for the year	609,948	751,690
Dividends paid	(600,000)	(600,000)
Retained earnings - end of year	2,748,411	2,738,463

The accompanying notes are an integral part of these financial statements

LAKEFRONT UTILITIES INC.
STATEMENT OF INCOME
For the year ended December 31, 2010

	2010	2009
	\$	\$
Sales		
Cost of power revenue	20,764,427	19,583,913
Service revenue	4,059,895	4,055,737
	24,824,322	23,639,650
Cost of power purchased	20,764,427	19,583,913
Gross profit	4,059,895	4,055,737
Other operating revenue	359,867	430,513
Gross income from operations	4,419,762	4,486,250
Expenses		
General and administration	973,623	855,700
Amortization	894,073	893,443
Distribution	641,133	645,289
Customer billing and collecting	425,479	407,717
Interest	581,259	587,170
	3,515,567	3,389,319
Income before provision for (recovery of) payments-in-lieu of income taxes	904,195	1,096,931
Provision for payments for (recovery of) payments in-lieu of income taxes (note 3)		
Current	254,247	355,241
Future	40,000	(10,000)
	294,247	345,241
Net income for the year	609,948	751,690

The accompanying notes are an integral part of these financial statements

LAKEFRONT UTILITIES INC.
STATEMENT OF CASH FLOWS
For the year ended December 31, 2010

	2010	2009
	\$	\$
CASH PROVIDED FROM (USED FOR)		
Operating activities		
Net income for the year	609,948	751,690
Items not affecting cash		
Amortization	894,073	893,443
Future income taxes	40,000	(10,000)
Employee future benefits	4,787	6,781
Gain on sale of property, plant and equipment	-	(10,178)
	1,548,808	1,631,736
Change in non-cash working capital items (note 10)	(1,230,249)	(411,698)
	318,559	1,220,038
Investing activities		
Purchase of property, plant and equipment	(946,841)	(1,003,897)
Proceeds on disposal of property, plant and equipment	-	10,178
Decrease (increase) in deferral accounts	843,522	(1,398,434)
	(103,319)	(2,392,153)
Financing activities		
Proceeds of long-term debt	1,894,658	1,653,000
Dividends paid	(600,000)	(600,000)
	1,294,658	1,053,000
Increase (decrease) in cash	1,509,898	(119,115)
Cash - beginning of year	2,141,428	2,260,543
Cash - end of year	3,651,326	2,141,428

The accompanying notes are an integral part of these financial statements

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

1. NATURE OF OPERATIONS

Lakefront Utilities Inc. was incorporated under the Business Corporations Act (Ontario) on April 12, 2000 and is engaged in the distribution of electricity and associated business activities.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

These financial statements have been prepared in accordance with accounting principles for electrical utilities in Ontario as required by the Ontario Energy Board ("OEB") and reflect the policies as set forth in the "Accounting Procedures Handbook for Utilities in Ontario". These principles are in accordance with Canadian generally accepted accounting principles.

(b) Electricity regulation

The Company is regulated by the OEB under authority of the Ontario Energy Board Act, 1988. The OEB is charged with the responsibility of approving or setting rates for the transmission and distribution of electricity and ensuring that distribution companies fulfil obligations to connect and service customers. The following regulatory policy is practiced in a rate regulated environment:

Deferral Accounts

Deferral accounts represent future revenue associated with certain costs, incurred in current or prior periods, that are expected to be recovered through the rate setting process. These assets and liabilities include various rate and retail variance accounts which arise from differences in amounts billed to customers (based on regulated rates) and the actual cost of electricity services to the Company. These amounts are accumulated for accounting purposes because it is probable that they will be recovered (repaid) in future rates. Deferral accounts recognized at December 31, 2010 are disclosed in Note 4.

(c) Revenue recognition

Revenue is recognized on the accrual basis when the energy is supplied to the users, whether billed or unbilled.

Revenues related to Conservation and Demand Management ("CDM") agreements with the Ontario Power Authority ("OPA") are recognized on a net basis. Performance fees are recognized as CDM programs are delivered.

(d) Inventory

Inventory is recorded at the lower of cost and net realizable value, where cost is generally determined using the average cost basis.

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Property, plant and equipment

Property, plant and equipment are recorded at cost. The Company provides for amortization using the straight-line method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. The annual amortization rates are as follows:

Buildings	10-50 years
Equipment and other	5-10 years
Transportation equipment	5-8 years
Distribution Stations	30 years
Meters	25 years
Distribution lines - overhead	25 years
Distribution lines - underground	25 years
Transformers	25 years

Capital contributions in aid of construction toward the cost of constructing distribution assets are recorded with capital assets as a contra account. Contributions are amortized based on the useful life of the asset.

The Company monitors events and changes in circumstances which may require an assessment of the recoverability of its long lived assets. If the carrying value of an asset is not recoverable, an impairment loss is recognized in operations, measured by comparing the carrying amount of the asset to its fair value.

(f) Customer deposits

Customer deposits are cash collections from customers to guarantee the payment of energy bills. Deposits expected to be refunded to customers within the next fiscal year are classified as a current liability.

(g) Management estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 revenues and expenses during the reporting period.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, impairment of assets; inventory provisions; useful lives, amortization and carrying values of property, plant and equipment; carrying value of regulatory assets and liabilities; unbilled revenue; allowance for doubtful accounts; employee future benefits; and payments in lieu of tax. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Pension plan

The Company accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi employer public sector pension fund, as a defined benefit plan. Both participating employers and employees are required to make plan contributions based on participating employees' contributory earnings. The Company recognizes the expense related to this plan as contributions are made.

(i) Employee future benefits

The Company pays certain medical and life insurance benefits on behalf of its retired employees. The Company recognizes these post-retirement costs in the period in which the employees earn the benefits. The cost of employee future benefits earned by employees is actuarially determined using the projected benefit method prorated on length of service and management's best estimate of salary escalation, retirement ages of employees, employee turnover and expected health care costs.

The excess of the net actuarial gains (losses) over 10% of the accrued benefit obligation are amortized on a straight-line basis over the average remaining service life of the active employees. Details related to the post-employment benefits are detailed in Note 7.

(j) New accounting pronouncements

International Financial Reporting Standards (IFRS)

On February 13, 2008 the Accounting Standards Board (AcSB) confirmed that IFRS will be required to be adopted by publicly accountable enterprises and certain government enterprises for annual reporting purposes for fiscal years beginning on or after January 1, 2011.

On September 10, 2010 the AcSB allowed the option of a one year deferral of IFRS adoption for entities subject to rate regulation. This deferral allowed for additional time for the AcSB to determine the impact of regulatory assets and liabilities for entities subject to rate regulation and IFRS.

Due to the uncertainty, the Company exercised its option to defer the implementation of IFRS.

The Company is continuing to assess the financial reporting impacts of the adoption of IFRS and, at this time, the impact on future financial position and results of operations is not reasonably determinable or estimable. The Company does anticipate a significant increase in disclosure resulting from the adoption of IFRS and is continuing to assess the level of disclosure required and any necessary system changes to gather and process the information.

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

3. **PAYMENTS IN LIEU OF TAXES**

The components of future income tax balance are as follows:

	2010	2009
	\$	\$
Future income tax asset		
Tax basis of equipment in excess of carrying amount	440,000	471,000
Reserves deductible when paid	75,000	84,000
	515,000	555,000

The provision for income taxes recorded in the financial statements differs from the amount which would be obtained by applying the statutory income tax rate of 31% (2009 - 33%) to the income for the years as follows:

	2010	2009
	\$	\$
Income for the year before income taxes	904,195	1,096,931
Anticipated income tax expense	280,300	361,987
Impact of tax rate changes	13,947	(16,746)
Provision for payments in lieu of taxes	294,247	345,241

An amount of \$65,155 is receivable and represents the excess of amounts installed and amounts due.

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

4. **PROPERTY, PLANT AND EQUIPMENT**

	Cost \$	Accumulated amortization \$	2010 Net book value \$	2009 Net book value \$
Land	219,284	-	219,284	219,284
Buildings	919,216	118,783	800,433	763,214
Equipment and other	379,542	155,833	223,709	69,350
Transportation equipment	759,706	110,202	649,504	501,234
Distribution Stations	2,762,235	1,598,842	1,163,393	1,230,905
Meters	894,463	531,280	363,183	394,465
Distribution lines - overhead	5,162,737	987,495	4,175,242	3,903,972
Distribution lines - underground	4,267,822	2,075,216	2,192,606	2,302,963
Transformers	5,111,049	2,204,716	2,906,333	2,768,747
	20,476,054	7,782,367	12,693,687	12,154,134
Contributions in aid of construction	(2,157,659)	(370,048)	(1,787,611)	(1,300,826)
	18,318,395	7,412,319	10,906,076	10,853,308

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

5. DEFERRAL ACCOUNTS

As described in Note 2(b), the Company has recorded the following deferral accounts.

	2010 \$	2009 \$
Cost of power variance accounts	73,808	1,685,143
Retail settlement variance accounts	(236,498)	(787,281)
Smart Meters	1,365,795	1,044,727
Other deferral accounts	144,268	248,306
	<u>1,347,373</u>	<u>2,190,895</u>

The deferral accounts are accumulated as prescribed by regulatory policy and will be subject to review and disposition through future rate review processes, the timing of which have yet to be determined. It is fully expected that the approved disposition of any asset or liability accumulated at that time will be through the adjustment of future rates. The Company continually assesses the likelihood of the recovery of recoverable assets. If recovery is no longer considered probable, the amounts are charged to operations in the year the assessment is made.

During the year there were authorized expenditures on the Smart Meter program in the aggregate amount of \$423,500 (2009 - \$1,267,837), which have been partially funded and offset by approved interim rate recoveries in the amount of \$184,055 (2009 - \$218,210). In addition, included in capital assets is an amount of \$317,000 (2009 - \$217,000) for meters which have been replaced. These amounts have not yet been written down as it is anticipated that these amounts will be approved and recoverable in future rate setting processes.

In the absence of rate regulation supporting the accumulation of these amounts, the Company would capitalize the amounts as equipment and the current year net income would be reduced by \$159,000 (2009 - \$241,000) for additional amortization of approximately \$59,000 (2009 - \$24,000) and for the writedown of \$100,000 (2009 - \$217,000) for the meter assets no longer in service.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2010 \$	2009 \$
Accounts payable - energy purchased	2,198,517	1,987,383
Other accounts payable and accrued	630,388	1,341,589
	<u>2,828,905</u>	<u>3,328,972</u>

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

7. EMPLOYEE FUTURE BENEFITS

The Company provides certain health, dental and life insurance benefits for retired employees pursuant to the Company's policy. The accrued benefit obligation and net periodic expense for the year were determined by actuarial valuation. The most recent valuation was performed on December 14, 2009.

Significant actuarial assumptions employed for the valuations are as follows: future general inflation level of 2%, discount rate of 6%, salary and wage level increases at 3.3% per annum. A 5% annual rate of increase in the per capita cost of covered dental costs was assumed for 2010 and thereafter. A 8.3% annual rate of increase for health costs was assumed for 2010, decreasing by 0.7% per annum until 2015.

Information about the Company's defined benefit plan is as follows:

	2010 \$	2009 \$
Accrued Benefit Obligation, beginning of period	264,156	257,375
Current service cost	6,311	6,010
Interest on accrued benefit obligation	14,326	15,068
Benefits paid	(15,850)	(14,297)
	268,943	264,156

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

8. LONG-TERM DEBT

	2010 \$	2009 \$
Demand note payable, Town of Cobourg Holdings Inc., 7.25%	7,000,000	7,000,000
Infrastructure Ontario Loan, floating rate	3,547,658	1,653,000
	<u>10,547,658</u>	<u>8,653,000</u>

The note payable to the Town of Cobourg has been classified as a long-term liability as the Town has indicated that they will not demand repayment prior to January 1, 2012, therefore the note has been classified as long-term. During the year the Company paid \$507,500 in interest on the loan.

The Infrastructure Ontario loan was signed August 26, 2009 with Ontario Infrastructure Projects Corporation (OIPC). Under this agreement the Company has financing available up to a maximum principal amount of \$3,800,000 for Smart Meters and various other projects. At year end the Company has been advanced \$3,547,658 (2009 - \$1,653,000) at a floating interest rate with interest only payments required. The floating interest rate is determined by OIPC based on their costs of funds plus a spread. The rate ranged from 0.95% to 1.75% in 2010. During the year the Company paid \$24,920 in interest on the loan. Under the agreement, the loan is convertible at any time within the next five years to debentures with terms to a maximum of 15 years.

9. SHARE CAPITAL

Authorized

Unlimited number of common shares

Issued

	2010 \$	2009 \$
11,300,000 Common shares	5,293,376	5,293,376

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

10. STATEMENT OF CASH FLOWS

	2010	2009
	\$	\$
Increase in accounts receivable	(255,808)	(202,542)
Decrease (increase) in unbilled revenue	(624,503)	175,608
Decrease (increase) in inventory	(1,478)	51,278
Decrease (increase) in prepaid expenses	(3,522)	1,113
Decrease (increase) in payments-in-lieu of income taxes	157,745	(494,900)
Increase (decrease) in accounts payable and accrued liabilities	(500,067)	26,299
Increase in customer deposits refundable within one year	128,453	35,000
Repayment of customer deposits	(131,069)	(3,554)
	(1,230,249)	(411,698)
Interest paid	544,906	534,170
Payments-in-lieu of income taxes	325,155	850,141

11. RELATED PARTY TRANSACTIONS

During the year, the Company collected rent recoveries of \$51,600 (2009 - \$51,600) from companies under common control. In addition, the Company receives hydro and service revenue from related companies and the Town of Cobourg. Related party transactions are in the normal course of operations and are measured at the exchange value being the amount of consideration established and agreed to by both parties.

At year end, included in accounts receivable is of \$135,520 (2009 - \$32,033), due from the Town of Cobourg, the ultimate parent entity.

12. PENSION AGREEMENT

The Company makes contributions to the Ontario Municipal Employees' Retirement System (O.M.E.R.S.), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of retirement benefits to be received by the employees based on the length of service and rates of pay.

The amount that the Company contributed to O.M.E.R.S. for the year ended was \$84,292 (2009 - \$70,678).

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

13. CREDIT FACILITIES

The Company has a \$500,000 operating line available which bears interest at prime rate plus 0.5% per year. The operating line is secured by a General Security Agreement covering substantially all of the Company's assets. At December 31 the company had not drawn on this operating line.

The Company has posted \$1,222,663 in stand-by letters of credit with the Independent Electricity System Operator, as required by regulation. The facility bears interest at 0.75% per annum.

14. CAPITAL DISCLOSURES

The Company's primary objective when managing capital is to address the expectations as outlined in the Shareholder Agreement between the Company's shareholder, Town of Cobourg Holdings Inc. and its shareholder, the Corporation of the Town of Cobourg. The expectation is that the Company will maintain a prudent financial structure in order to safeguard the Company's assets and to provide adequate returns for its shareholders and benefits to the stakeholders.

The Ontario Energy Board sets rates based on a deemed capital structure of 60% debt and 40% equity.

The Company's current capital structure is defined as follows:

	2010 \$	2009 \$
Infrastructure Ontario loan	3,547,658	1,653,000
Note payable	7,000,000	7,000,000
	10,547,658	8,653,000
	2010 \$	2009 \$
Share capital	5,293,376	5,293,376
Retained earnings	2,748,411	2,041,773
	8,041,787	7,335,149

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

15. CONTINGENCIES

a) The Company participates with other municipal utilities in Ontario in an agreement to exchange reciprocal contracts of indemnity through the Municipal Electric Association Reciprocal Insurance Exchange. Under this agreement, the Company is contingently liable for additional assessments to the extent that premiums collected are not sufficient to cover actual losses, claims and costs experienced.

16. FINANCIAL INSTRUMENTS

Financial instruments consist of recorded amounts of cash, accounts receivable, unbilled revenue which will result in future cash receipts, as well as accounts payable and accrued liabilities, customer deposits, demand loan, accounts payable and accruals, promissory note payable to shareholder and long-term note payable will result in future cash outflows.

The Company manages its exposure to interest rate risk through a combination of fixed and floating rate borrowings. The fixed rate debt is subject to interest rate price risk, as the value will fluctuate as a result of changes in market rates. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

The Company does not believe that it is exposed to significant liquidity or foreign exchange risk. The Company is exposed to the following risks in respect of certain financial instruments held:

(a) Fair value

The Company's carrying value of cash, accounts receivable, unbilled revenue, accounts payable and accrued liabilities and customer deposits approximates its fair value due to the immediate or short-term maturity of these instruments.

The carrying value of the note payable and Infrastructure Ontario loan approximates the fair value as the interest rates are consistent with the current rates offered to the Company for debt with similar terms.

(b) Interest rate risk

The Company manages its exposure to interest rate risk through floating rate borrowings. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

LAKEFRONT UTILITIES INC.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended December 31, 2010

16. FINANCIAL INSTRUMENTS, continued

(c) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Company is exposed to credit risk from customers.

The Company carries out credit checks on its customers on a continuing basis, retains a deposit where allowed by OEB regulation and maintains provisions for contingent credit losses.

The Company has a significant number of customers which minimizes concentration of credit risk.

17. ASSET RETIREMENT OBLIGATION

The Company recognizes that there may be future costs for the environmental remediation of certain properties and for future removal and handling costs related to distribution equipment currently in service. The Company assumes that these sites will remain in use for perpetuity and therefore no retirement obligation exists. If factors indicate that a particular site will not remain in use for perpetuity and an obligation to remediate the site exists, only at this time will the Company attempt to value the liability.

18. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.