

The Corporation of Norfolk County

Consolidated Financial Statements

December 31, 2015



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December 31, 2015

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Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of Norfolk County

We have audited the accompanying consolidated financial statements of The Corporation of Norfolk County which comprise of the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations, changes in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of Norfolk County as at December 31, 2015 and its consolidated results of operations, consolidated changes in net financial assets and consolidated cash flow for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Budget figures are provided for comparative purposes and have not been subject to audit procedures. Accordingly, we do not express any opinion regarding the budget figures.

Millard, Rowe & Coebright LLP

January 5, 2017
Simcoe, Ontario

Chartered Professional Accountants
Licensed Public Accountants



Management's Responsibility for Financial Reporting

The consolidated financial statements of The Corporation of Norfolk County have been prepared in accordance with Canadian Public Sector Accounting Standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.


The integrity and reliability of The Corporation of Norfolk County's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The County Manager is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements before they are submitted to Council.

The consolidated financial statements have been audited on behalf of the Members of Council, Inhabitants and Ratepayers of The Corporation of Norfolk County by Millard, Rouse & Rosebrugh LLP, in accordance with generally accepted auditing standards.



Keith Robicheau, County Manager



John Ford, Treasurer/CEO

Simcoe, Ontario
January 5, 2017

The Corporation of Norfolk County

Consolidated Statement of Financial Position

As at December 31,	2015	2014
Financial assets		
Cash	\$ 977,004	\$ 5,024,259
Investments (note 4)	89,256,338	91,715,904
Taxes receivable	7,941,798	9,098,926
Accounts receivable	11,162,264	16,897,324
Other financial assets	<u>3,778</u>	<u>4,322</u>
	<u>109,341,182</u>	<u>122,740,735</u>
Liabilities		
Accounts payable	19,882,415	23,408,575
Employee benefits liability (note 5)	6,894,409	6,350,491
Deferred revenue (note 6)	16,764,475	16,584,043
Solid waste landfill closure and post-closure liability (note 7)	18,617,761	16,321,408
Long term liabilities (note 8)	<u>50,202,856</u>	<u>40,026,424</u>
	<u>112,361,916</u>	<u>102,690,941</u>
Net financial assets (liabilities)	<u>(3,020,734)</u>	<u>20,049,794</u>
Non-financial assets		
Tangible capital assets (note 9)	545,327,840	515,350,355
Prepaid expenses	1,460,599	1,268,121
Inventory of supplies	<u>442,313</u>	<u>493,533</u>
	<u>547,230,752</u>	<u>517,112,009</u>
Accumulated surplus (note 10)	<u>\$544,210,018</u>	<u>\$537,161,803</u>

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



The Corporation of Norfolk County

Consolidated Statement of Operations

Year Ended December 31,	Budget 2015	2015	2014
	(note 17)		
Revenue			
Taxation	\$ 76,248,900	\$ 74,391,932	\$ 72,288,199
Government grants - Federal (note 11)	7,800	5,119,278	5,462,389
Government grants - Provincial (note 12)	53,910,900	52,192,211	50,105,373
Recoveries from other municipalities	3,819,300	3,427,603	3,403,459
User charges	27,996,300	29,016,957	30,681,293
Other income (note 13)	<u>8,116,100</u>	<u>9,105,007</u>	<u>48,163,631</u>
	<u>170,099,300</u>	<u>173,252,988</u>	<u>210,104,344</u>
Expenses			
General government	15,529,523	14,227,843	13,635,973
Protection services	19,475,757	19,033,536	19,617,035
Transportation services	29,619,687	30,386,325	32,519,565
Environmental services	23,610,482	21,232,989	21,616,381
Health services	18,500,001	17,475,390	16,920,376
Social and family services	41,070,135	40,381,541	39,411,911
Social housing	6,475,700	6,409,666	4,999,281
Recreation and cultural services	14,610,563	13,700,087	13,461,411
Planning and development	<u>2,986,889</u>	<u>3,357,396</u>	<u>3,105,444</u>
	<u>171,878,737</u>	<u>166,204,773</u>	<u>165,287,377</u>
Annual surplus (deficit)	\$ <u>(1,779,437)</u>	7,048,215	44,816,967
Accumulated surplus, beginning of year		<u>537,161,803</u>	<u>492,344,836</u>
Accumulated surplus, end of year		<u>\$544,210,018</u>	<u>\$537,161,803</u>

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



The Corporation of Norfolk County

Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31,	2015	2014
Annual surplus	\$ 7,048,215	\$ 44,816,967
Acquisition of tangible capital assets	(52,536,842)	(37,086,952)
Amortization of tangible capital assets	22,263,143	20,006,494
Loss on disposal of tangible capital assets	192,054	602,930
Proceeds from sale of tangible capital assets	<u>104,160</u>	<u>47,410</u>
	<u>(22,929,270)</u>	<u>28,386,849</u>
Acquisition of prepaid expenses	(192,478)	(878,122)
Acquisition of inventory of supplies	<u>51,220</u>	<u>(42,528)</u>
	<u>(141,258)</u>	<u>(920,650)</u>
Net change in net financial assets	(23,070,528)	27,466,199
Net financial assets (liabilities), beginning of year	<u>20,049,794</u>	<u>(7,416,405)</u>
Net financial assets (liabilities), end of year	\$ <u>(3,020,734)</u>	\$ <u>20,049,794</u>

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



The Corporation of Norfolk County

Consolidated Statement of Cash Flow

Year Ended December 31,	2015	2014
Cash provided by (used in):		
Operating transactions		
Annual surplus	\$ 7,048,215	\$ 44,816,967
Amortization of tangible capital assets	22,263,143	20,006,494
Loss on disposal of tangible capital assets	192,054	602,930
Gain on sale of Norfolk Power Inc.	<u>-</u>	<u>(35,610,143)</u>
	29,503,412	29,816,248
Changes in non-cash operating balances:		
Taxes receivable	1,157,128	1,836,955
Accounts receivable	5,735,060	(1,618,893)
Other financial assets	544	207
Accounts payable	(3,526,160)	2,868,984
Employee benefits liability	543,918	86,566
Deferred revenue	180,432	(1,758,060)
Solid waste landfill closure and post-closure liability	2,296,353	-
Prepaid expenses	(192,478)	(878,122)
Inventory of supplies	<u>51,220</u>	<u>(42,528)</u>
	35,749,429	30,311,357
Capital transactions		
Acquisition of tangible capital assets	(52,536,842)	(37,086,952)
Proceeds from sale of tangible capital assets	<u>104,160</u>	<u>47,410</u>
	(52,432,682)	(37,039,542)
Financing transactions		
Long term debt issued	14,159,000	-
Long term debt repaid	(3,982,568)	(3,831,057)
Proceeds from sale of Norfolk Power Inc.	<u>-</u>	<u>67,708,239</u>
	10,176,432	63,877,182
Net change in cash and cash equivalents	(6,506,821)	57,148,997
Cash and cash equivalents, beginning of year	<u>96,740,163</u>	<u>39,591,166</u>
Cash and cash equivalents, end of year	\$ <u>90,233,342</u>	\$ <u>96,740,163</u>
Cash and cash equivalents consists of:		
Cash	\$ 977,004	\$ 5,024,259
Investments	<u>89,256,338</u>	<u>91,715,904</u>
	\$ <u>90,233,342</u>	\$ <u>96,740,163</u>

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



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

1. Incorporation

Effective January 1, 2001, Norfolk County was incorporated as a single tier municipality. Norfolk County assumed all assets, liabilities and operations of the former Town of Simcoe, Township of Norfolk and Township of Delhi, and some of the assets, liabilities and operations of the former City of Nanticoke and former Regional Municipality of Haldimand-Norfolk.

Based upon the provisions of the Fewer Municipal Politicians Act (1999) and regulations passed under this Act, Norfolk County was given the administrative responsibility as the Consolidated Municipal Service Manager, as well as the Board of Health, for the provision of Public Health and Social Services to both Haldimand County and Norfolk County. An Advisory Board (the Joint Health and Social Services Advisory Committee) made up of 3 Council representatives from each County provides recommendations to Norfolk County. Haldimand County has been given the administrative responsibility over investments and long term debt of the former regional municipality as at December 31, 2000, some of which are to be shared with Norfolk County.

2. Summary of significant accounting policies

The consolidated financial statements of The Corporation of Norfolk County are prepared by management in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

Significant aspects of the accounting policies adopted by The Corporation of Norfolk County are as follows:

a) Reporting entity

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, and changes in net financial assets of the reporting entity. The consolidated financial statements include the activities of all committees of Council and local boards, municipal enterprises and utilities which are owned or controlled by the County. These consolidated financial statements include:

*Norfolk County Public Library Board
Simcoe Business Improvement Area
Delhi Business Improvement Area*

All inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

2. Summary of significant accounting policies (continued)

(ii) *Joint local boards*

As explained in Note 1, Norfolk County has been given administrative responsibility for the following joint local boards:

Joint Health and Social Services Advisory Committee

Amounts paid to Norfolk County for Haldimand County's proportionate share of Health, Social and Family Services and Social Housing are recorded as recoveries from other municipalities on the Consolidated Statement of Operations.

(iii) *Accounting for school board transactions*

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. The taxation revenue collected and remitted on behalf of the school boards amounted to \$20,536,171 (2014 - \$19,977,067).

(iv) *Trust funds*

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

(v) *Provincial offences fines*

Norfolk County administers the Provincial Offences Act (POA) on behalf of the Ministry of the Attorney General for the Norfolk County Court Service Area.

Fine revenue is recognized as the payment is received. Fine revenue includes all monies received less payments made to other municipalities for monies received on their behalf, less payments made to the Ministry of the Attorney General for victim fine surcharges and dedicated fines. Revenue also includes outstanding transfers of fine receipts collected by other municipalities.

A receivable for the value of fines issued but unpaid as at the year-end date amounts to \$6,010,158 (2014 - \$5,734,303) and is not recorded in these consolidated financial statements.

b) **Basis of presentation**

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of goods or services and the creation of a legal obligation to pay.



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

2. Summary of significant accounting policies (continued)

c) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Costs include all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing the year the asset is available for productive use. Half the normal rate of amortization is recorded in the initial year of productive use. Amortization rates are as follows:

Land improvements	4 to 75 years
Buildings and structures	10 to 75 years
Infrastructure	10 to 75 years
Vehicles, machinery and equipment	4 to 35 years

d) Investments

Investments are recorded at amortized cost less any amounts written off to reflect a permanent decline in value. Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise of government bonds, debentures, pooled investment funds and short term instruments of various financial institutions.

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

e) Inventory

Inventory of supplies held for consumption is valued at the lower of cost and replacement value.

f) Deferred revenue

The municipality receives funds for specific purposes which are externally restricted by legislation, regulation or agreement. These restricted funds are not available for general municipal purposes and are recognized as revenue in the fiscal year the funds are used for the specified purpose.

g) Government transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

h) Management uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

3. Contaminated Sites

On January 1, 2015, the County adopted Public Sector Accounting Standard PS 3260, Liability for Contaminated Sites. This standard was adopted on a prospective basis from the date of adoption. A contaminated site is an unproductive site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. A liability for remediation of contaminated sites is recognized when the County is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate for the amount can be made. All criteria must be met in order to recognize a liability. As at December 31, 2015 there is no liability recorded in the consolidated financial statements. The County will continue to review contaminated sites on an annual basis and when the criteria for recognition have been met, a liability will be recorded.

4. Investments

Investments, as at December 31, consist of the following:

	2015		2014	
	Market Value	Carrying Value	Market Value	Carrying Value
	\$	\$	\$	\$
Government bonds	2,766,483	2,473,448	3,386,479	2,502,320
GICs and short term savings	17,113,779	17,113,779	20,116,338	20,001,844
ONE Fund Investments	68,049,099	67,750,158	67,688,761	67,000,823
Other	<u>1,918,953</u>	<u>1,918,953</u>	<u>2,210,917</u>	<u>2,210,917</u>
	<u>89,848,314</u>	<u>89,256,338</u>	<u>93,402,495</u>	<u>91,715,904</u>

Included in the County's other investments are internal debentures with a coupon rate range of 2.61% to 6% (2014 - 2.61% to 6%) with a carrying value of \$1,918,953 (2014 - \$2,210,917).

The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

5. Employee benefits liability

The municipality provides certain employee benefits which will require funding in future periods and is comprised of the following:

	2015	2014
	\$	\$
Vested sick leave	1,821,999	1,914,095
Post retirement benefits	1,532,310	1,218,396
Workers' compensation	<u>3,540,100</u>	<u>3,218,000</u>
	<u>6,894,409</u>	<u>6,350,491</u>

The County is also liable for accrued severance's. These liabilities as at December 31, 2015 are \$1,044,762 (2014 - \$922,106) and are recorded in accounts payable.

a) Liability for vested sick leave benefits

Under the sick leave benefit plan, unused sick leave can be accumulated and some employees may become entitled to a cash payment when they leave the municipality's employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amount to \$1,821,999 (2014 - \$1,914,095).

The amount paid to employees who left the County's employment during the year amounted to \$125,661 (2014 - \$467,793). Anticipated payments in 2016 and subsequent years to employees who are eligible to retire are estimated as follows:

	\$
2016 - 2020	1,665,006
2021 - 2025	101,253
2026 and beyond	<u>55,740</u>
	<u>1,821,999</u>

b) Post retirement benefits

Norfolk County provides retirement benefits consisting of health care, dental, and life insurance to qualifying members.

Haldimand County also administers a reserve fund for employee benefits, in trust, from the former Regional Municipality of Haldimand-Norfolk, which has a gross amount of \$303,838 (2014 - \$297,845) which is to be shared with Norfolk County.



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

5. Employee benefits liability (continued)

c) Workers' compensation

Norfolk County is self-insured for injured worker benefits with Workplace Safety and Insurance Board (WSIB) administering the benefits on behalf of the municipality as a schedule II employer.

A comprehensive actuarial evaluation for the future liability of WSIB benefits was conducted as at December 31, 2008 and has been extrapolated to estimate the liability as at December 31, 2015

The significant assumptions used in the actuarial evaluation for the County's WSIB liabilities are:

Net discount rate	5%
Inflation rate	2%
Future cost of loss of earnings benefit	2.5%
Future cost of full indexed survivor benefits	3.0%
Retirement age	65 years

The County has established a reserve fund for WSIB costs, which has a balance of \$1,236,413 (2014 - \$1,020,775).

Haldimand County also administers a reserve fund for workers' compensation, in trust, from the former Regional Municipality of Haldimand-Norfolk, which has a gross amount of \$413,630 (2014 - \$441,537) which is to be shared with Norfolk County.

6. Deferred revenue

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Professional Accountants, 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 deferred revenue including obligatory reserve funds of The Corporation of Norfolk County are as follows:

	Opening Balance	Contributions Received	Investment Income	Revenue Recognized	Ending Balance
Recreational land	\$ 39,555	\$ 16,450	\$ 321	\$ (19,122)	\$ 37,204
Building permits	970,759	246,085	7,891	(99,816)	1,124,919
Development charges	2,368,429	2,821,731	22,038	(659,863)	4,552,335
Provincial gas tax	242,376	31,833	1,275	(138,686)	136,798
Federal gas tax	11,335,983	3,663,460	82,958	(5,130,104)	9,952,297
Other	<u>1,626,941</u>	<u>822,977</u>	<u>1,356</u>	<u>(1,490,352)</u>	<u>960,922</u>
	<u>\$ 16,584,043</u>	<u>\$ 7,602,536</u>	<u>\$ 115,839</u>	<u>\$ (7,537,943)</u>	<u>\$16,764,475</u>



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

7. Solid waste landfill closure and post-closure liability

Tom Howe landfill site is jointly owned by Norfolk County and Haldimand County and, as anticipated, has reached its capacity of approximately 2,300,000 cubic metres in October 2015.

Canborough landfill site is also jointly owned by Norfolk County and Haldimand County. The Canborough landfill site was temporarily closed to be re-opened and used once Tom Howe landfill site reached its capacity. In July 2014, it was decided by both counties that the Canborough landfill site would not be re-opened and would be permanently closed.

The costs of closing and maintaining the landfill sites are shared by both Norfolk County and Haldimand County. It is estimated that Norfolk County's share of the total costs to close and maintain the sites are approximately \$18,617,761. The estimated costs are calculated at net present value. Norfolk County has not designated any specific assets to assist with the cost of closing the sites. Post-closure activities will continue for approximately 50 years for both landfill sites.

Key assumptions in determining the liability at December 31, 2015 for the sites are as follows:

Inflation rate	2.0%
Discount rate	4.0%
Estimated time for post-closure site rehabilitation and monitoring	50 years

	2015	2014
	\$	\$
Capital costs upon closure	912,270	571,249
Closed landfill site rehabilitation and monitoring	<u>17,705,491</u>	<u>15,750,159</u>
	<u>18,617,761</u>	<u>16,321,408</u>



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

8. Long term liabilities

a) Long term liabilities reported on the Consolidated Statement of Financial Position is comprised of the following:

	2015	2014
	\$	\$
Total long term liabilities issued or assumed by the municipality and outstanding at the end of the year amounts to:	48,043,009	37,537,962
Total long term loans from reserve funds and outstanding at the end of the year amounted to:	<u>2,159,847</u>	<u>2,488,462</u>
	<u>50,202,856</u>	<u>40,026,424</u>

b) Of the long term liabilities reported above, principal payments are recoverable from general municipal revenues and are repayable as follows:

	\$
2016	4,388,306
2017	4,552,845
2018	4,722,406
2019	4,593,158
2020	13,216,574
Thereafter	<u>18,729,567</u>
	<u>50,202,856</u>

The above long term liabilities have maturity dates ranging from 2016 to 2035 with interest rates varying between 1.45% to 5.794%.

c) The long term liabilities in part (a) have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayments and limits prescribed by the Ministry of Municipal Affairs and Housing.



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

9. Tangible capital assets

	Land \$	Land Improvements \$	Buildings and Structures \$	Infrastructure \$	Vehicles, Machinery and Equipment \$	Assets Under Construction \$	2015 \$
Cost, beginning of year	11,762,591	27,047,817	154,357,334	526,735,327	50,315,995	31,652,664	801,871,728
Additions	19,099	446,221	1,384,407	13,905,406	3,915,286	52,092,003	71,762,422
Disposals	-	-	(81,316)	(604,888)	(1,849,111)	-	(2,535,315)
Transfer to capital assets	-	-	-	-	-	(19,225,580)	(19,225,580)
Cost, end of year	<u>11,781,690</u>	<u>27,494,038</u>	<u>155,660,425</u>	<u>540,035,845</u>	<u>52,382,170</u>	<u>64,519,087</u>	<u>851,873,255</u>
Accumulated amortization, beginning of year	-	12,773,532	46,001,960	200,465,984	27,279,897	-	286,521,373
Amortization	-	472,168	4,573,858	13,444,263	3,772,853	-	22,263,142
Disposals	-	-	(41,077)	(355,305)	(1,842,718)	-	(2,239,100)
Accumulated amortization, end of year	<u>-</u>	<u>13,245,700</u>	<u>50,534,741</u>	<u>213,554,942</u>	<u>29,210,032</u>	<u>-</u>	<u>306,545,415</u>
Net carrying amount, end of year	<u>11,781,690</u>	<u>14,248,338</u>	<u>105,125,684</u>	<u>326,480,903</u>	<u>23,172,138</u>	<u>64,519,087</u>	<u>545,327,840</u>



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

9. Tangible capital assets (continued)

	Land \$	Land Improvements \$	Buildings and Structures \$	Infrastructure \$	Vehicles, Machinery and Equipment \$	Assets Under Construction \$	2014 \$
Cost, beginning of year	10,967,943	25,428,233	133,192,656	510,227,057	46,835,291	39,863,197	766,514,377
Additions	794,648	1,662,207	21,373,379	17,669,343	3,860,918	39,117,277	84,477,772
Disposals	-	(42,623)	(208,701)	(1,161,073)	(380,214)	-	(1,792,611)
Transfer to capital assets	-	-	-	-	-	(47,327,810)	(47,327,810)
Cost, end of year	<u>11,762,591</u>	<u>27,047,817</u>	<u>154,357,334</u>	<u>526,735,327</u>	<u>50,315,995</u>	<u>31,652,664</u>	<u>801,871,728</u>
Accumulated amortization, beginning of year	-	12,386,141	42,649,479	187,791,025	24,767,496	-	267,594,141
Amortization	-	401,704	3,418,028	13,317,437	2,869,325	-	20,006,494
Disposals	-	(14,313)	(65,547)	(642,478)	(356,924)	-	(1,079,262)
Accumulated amortization, end of year	<u>-</u>	<u>12,773,532</u>	<u>46,001,960</u>	<u>200,465,984</u>	<u>27,279,897</u>	<u>-</u>	<u>286,521,373</u>
Net carrying amount, end of year	<u><u>11,762,591</u></u>	<u><u>14,274,285</u></u>	<u><u>108,355,374</u></u>	<u><u>326,269,343</u></u>	<u><u>23,036,098</u></u>	<u><u>31,652,664</u></u>	<u><u>515,350,355</u></u>



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

10. Accumulated surplus

The Corporation of Norfolk County segregates its accumulated surplus into the following categories:

	<u>2015</u>	<u>2014</u>
Investment in tangible capital assets	\$ 545,327,840	\$ 515,350,355
Long term liabilities	(50,202,856)	(40,026,424)
Unfinanced capital	<u>(24,514,744)</u>	<u>(7,714,463)</u>
Net investment in tangible capital assets	470,610,240	467,609,468
Operating surplus(deficit)	(525,800)	(413,120)
Water surplus	102,181	1,111,254
Wastewater surplus	1,263,483	1,444,162
Delhi BIA surplus	18,156	18,156
Reserves		
Contingencies	6,640,444	7,703,723
Capital purposes	(12,017,819)	(16,721,130)
Other	<u>3,704,927</u>	<u>3,521,907</u>
	(1,672,448)	(5,495,500)
Reserve funds		
Capital replacement - sewer	3,335,648	1,874,391
Capital replacement - water	14,250,534	12,430,856
Waste management	2,500,818	2,205,843
WSIB	1,236,413	1,020,775
Legacy fund	67,750,158	68,218,840
Other	<u>3,958,396</u>	<u>3,458,086</u>
	93,031,967	89,208,791
Unfunded liability - solid waste landfill liabilities	<u>(18,617,761)</u>	<u>(16,321,408)</u>
	<u>\$ 544,210,018</u>	<u>\$ 537,161,803</u>



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

11. Government grants - Federal

	<u>Budget</u> (note 17)	<u>2015</u>	<u>2014</u>
Federal transfers			
Operating			
Conditional	\$ 7,800	\$ 68,785	\$ 12,456
Capital			
Infrastructure funding	-	8,291	308,023
Federal gas tax revenue	-	<u>5,042,202</u>	<u>5,141,910</u>
	<u>\$ 7,800</u>	<u>\$ 5,119,278</u>	<u>\$ 5,462,389</u>

12. Government grants - Provincial

	<u>Budget</u> (note 17)	<u>2015</u>	<u>2014</u>
Provincial transfers			
Operating			
Ontario municipal partnership fund	\$ 6,945,200	\$ 6,945,200	\$ 8,190,000
Conditional	<u>46,965,700</u>	<u>44,519,905</u>	41,915,373
Capital			
Infrastructure funding	-	589,695	-
Provincial gas tax revenue	-	<u>137,411</u>	-
	<u>\$ 53,910,900</u>	<u>\$ 52,192,211</u>	<u>\$ 50,105,373</u>

13. Other income

	<u>Budget</u> (note 17)	<u>2015</u>	<u>2014</u>
Licenses, permits, rents, and concessions	\$ 4,151,900	\$ 4,228,007	\$ 4,386,360
Provincial offences and other fines	1,190,600	857,730	957,119
Penalties and interest on taxes	1,522,400	1,337,938	1,452,072
Investment income	1,173,100	1,668,563	1,370,713
Developer contributed assets	-	762,723	2,444,922
Proceeds from sale of land and other assets	-	-	77,953
Loss on disposal of tangible capital assets	-	(186,220)	(602,930)
Gain on sale of Norfolk Power Inc.	-	-	35,610,143
Norfolk Power Inc. dividend income	-	-	1,784,420
Donations	<u>78,100</u>	<u>436,266</u>	<u>682,859</u>
	<u>\$ 8,116,100</u>	<u>\$ 9,105,007</u>	<u>\$ 48,163,631</u>



The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

14. Contractual obligations

a) *Veolia Water Canada*

Norfolk County has entered into an agreement with Veolia Water Canada for the operation and maintenance of the County's wastewater treatment facilities and pumping stations. The contract expires June 30, 2017. The annual cost of this contract for 2015 was \$2,686,456 (2014 - \$2,812,986).

b) *Landfill sites*

Under the terms of an interim agreement between Norfolk County and Haldimand County, Haldimand County is responsible for the operation of two landfill sites within the geographic boundaries of Haldimand County, which are available for the use of both Counties. Norfolk County operates the Material Recovery Facility (MRF) located in Simcoe, on behalf of both Counties. Ownership of all facilities is vested jointly through Provincial legislation and/or asset allocation through the Arbitrator's Report following restructuring.

c) *Ontario Provincial Police contract*

Norfolk County has a five-year agreement with the Solicitor General of Ontario for the provision of police services. The five-year term expires in December 2019. The annual cost of this contract for 2015 was \$12,509,444 (2014 - \$13,430,216).

d) *Office Building Lease*

Norfolk County has entered into an agreement to lease office space. The lease commitment date commenced June 2015 and the initial term of the lease is 15 years. The amount paid in 2015 for this contract was \$481,077. The annual lease cost is approximately \$912,000 plus utilities.

15. Pension agreements

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefits to be received by the employees based on length of service and rate of pay.

The amount contributed to OMERS for current service is included as an expenditure on the Consolidated Statement of Operations. The amount contributed to OMERS for 2015 was \$4,282,378 (2014 - \$4,111,688). Since any surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees, the municipality does not recognize any share of the OMERS pension surplus or deficit in these consolidated financial statements

The Corporation of Norfolk County

Notes to the Consolidated Financial Statements

Year Ended December 31, 2015

16. Public liability insurance

Norfolk County has a program of risk identification, evaluation and control to minimize the risk of injury to its employees and to third parties and to minimize the risk of damage to its property and the property of others. It uses a combination of the self-insurance and purchased insurance to protect itself financially against the risk that it cannot reasonably control. The municipality is self-insured for public liability claims up to \$75,000 for any individual claim and \$75,000 for multiple claims arising out of a single occurrence. Purchased insurance coverage is in place for claims in excess of these limits to a maximum of \$20,000,000 with the exception of certain environmental liability claims, should such claims arise.

At December 31, 2015 there are outstanding legal and liability claims against Norfolk County. Any insured amounts have not been provided for in the financial statements, as the outcome of the related claim(s) is not in excess of insurance coverage. For claims not covered by purchased insurance, a reserve has been established by Norfolk County (post restructuring), which has a balance at December 31, 2015 of \$1,551,518 (2014 - \$1,539,916).

17. Budget figures

The operating budgets adopted by Norfolk County Council were not prepared on a basis consistent with the reporting requirements of the Public Sector Accounting Board. The budgets were prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis to be used. The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the Consolidated Statements of Operations represent the budget adopted by Council with adjustments as follows:

	<u>2015</u>
Operating budget surplus for the year adopted by Council	\$ -
Add:	
Budgeted transfers to the capital fund for tangible capital asset purchases	1,405,000
Budgeted transfers to reserves and reserve funds	15,605,800
Principal payments on debt	4,745,700
Less:	
Amortization	(22,263,137)
Budgeted transfers from reserves and reserve funds	<u>(1,272,800)</u>
Budget deficit per Consolidated Statement of Operations	\$ <u>(1,779,437)</u>

18. Comparative figures

Certain prior year figures have been adjusted to conform with the 2015 financial statement presentation.



The Corporation of Norfolk County

Segmented Information

Year Ended December 31, 2015

The Corporation of Norfolk County is a single-tier municipality that provides a wide range of services to its residents. The major services chosen for segmented disclosure are the five departments which consume the greatest amount of the County's total operating expenses. The revenue and expenses reported for each segment includes directly attributable amounts as well as internal charges and recoveries allocated on a reasonable basis.

A description of each major service and the activities each provide are as follows:

Protection services

The protection services includes fire, police, conservation authority, protection inspection and control, emergency measures, and Provincial Offences Act.

Transportation services

The transportation services department is responsible for the safe and efficient movement of people and goods within Norfolk County. Responsibilities include road construction and maintenance, traffic signals and signs, winter control, developing parking and traffic by-laws, and implementation and maintenance of street lighting.

Environmental services

This segment includes sanitary sewer system, storm sewer system, waterworks system, waste collection and disposal, recycling and administration.

Social and family services

Social and family services includes general assistance for Ontario Works, assistance to aged persons for Norview Lodge, and child care.



The Corporation of Norfolk County

Segmented Information

Year Ended December 31, 2015

	Protection Services \$	Transportation Services \$	Environmental Services \$	Social and Family Services \$	Other Services [1] \$	Consolidated 2015 \$
Revenue						
Grants	468	104,531	746,389	28,664,746	27,795,355	57,311,489
User charges	242,416	1,804,054	18,705,308	4,692,550	3,572,629	29,016,957
Other revenue [2]	<u>767,577</u>	<u>-</u>	<u>159,289</u>	<u>1,390,228</u>	<u>10,215,516</u>	<u>12,532,610</u>
	<u>1,010,461</u>	<u>1,908,585</u>	<u>19,610,986</u>	<u>34,747,524</u>	<u>41,583,500</u>	<u>98,861,056</u>
Expenses						
Salaries, wages and benefits	4,248,770	8,064,116	3,900,493	16,640,718	32,007,148	64,861,245
Materials	354,600	5,306,094	1,580,841	1,886,442	3,702,088	12,830,065
Contracted services	13,282,761	3,925,291	7,149,212	2,158,161	6,655,674	33,171,099
External transfers	13,000	-	1,626,606	17,864,436	7,320,478	26,824,520
Financial expenses	257,355	758,422	490,388	341,985	2,953,303	4,801,453
Interest on long term liabilities	18,993	33,302	462,467	845,664	89,828	1,450,254
Amortization	<u>858,057</u>	<u>12,299,100</u>	<u>6,022,982</u>	<u>644,135</u>	<u>2,441,863</u>	<u>22,266,137</u>
	<u>19,033,536</u>	<u>30,386,325</u>	<u>21,232,989</u>	<u>40,381,541</u>	<u>55,170,382</u>	<u>166,204,773</u>
Deficiency of revenue over expenses for the year financed by net municipal levy	<u>(18,023,075)</u>	<u>(28,477,740)</u>	<u>(1,622,003)</u>	<u>(5,634,017)</u>	<u>(13,586,882)</u>	<u>(67,343,717)</u>
Taxation revenue						<u>74,391,932</u>
Annual surplus						<u>7,048,215</u>

[1] Other services - Includes general government, health services, social housing, recreation and cultural services and planning and development.

[2] Other revenue - Includes fines, penalties and interest on taxes, recoveries from other municipalities, investment income, sale of assets, prepaid special charges and donations.



The Corporation of Norfolk County

Segmented Information

Year Ended December 31, 2014

	Protection Services \$	Transportation Services \$	Environmental Services \$	Social and Family Services \$	Other Services [1] \$	Consolidated 2014 \$
Revenue						
Grants	122,661	369,334	776,572	27,791,395	26,507,800	55,567,762
User charges	152,079	1,193,032	18,475,401	5,103,412	8,273,937	33,197,861
Other revenue [2]	816,376	-	240,064	1,570,979	10,812,960	13,440,379
Norfolk Power Inc.	-	-	-	-	35,610,143	35,610,143
	<u>1,091,116</u>	<u>1,562,366</u>	<u>19,492,037</u>	<u>34,465,786</u>	<u>81,204,840</u>	<u>137,816,145</u>
Expenses						
Salaries, wages and benefits	3,783,185	8,561,808	3,318,088	16,254,906	29,845,799	61,763,786
Materials	518,033	7,015,045	1,875,922	1,658,154	4,332,323	15,399,477
Contracted services	14,402,389	5,003,454	9,361,165	1,943,266	5,962,875	36,673,149
External transfers	16,600	-	1,578,337	18,029,789	5,903,814	25,528,540
Financial expenses	38,257	231,397	93,254	9,405	3,690,901	4,063,214
Interest on long term liabilities	24,016	23,572	780,992	905,389	118,748	1,852,717
Amortization	834,555	11,684,289	4,608,623	611,002	2,268,025	20,006,494
	<u>19,617,035</u>	<u>32,519,565</u>	<u>21,616,381</u>	<u>39,411,911</u>	<u>52,122,485</u>	<u>165,287,377</u>
Deficiency of revenue over expenses for the year financed by net municipal levy	<u>(18,525,919)</u>	<u>(30,957,199)</u>	<u>(2,124,344)</u>	<u>(4,946,125)</u>	<u>29,082,355</u>	<u>(27,471,232)</u>
Taxation revenue						<u>72,288,199</u>
Annual surplus						<u>44,816,967</u>

[1] Other services - Includes general government, health services, social housing, recreation and cultural services and planning and development.

[2] Other revenue - Includes fines, penalties and interest on taxes, recoveries from other municipalities, investment income, sale of assets, prepaid special charges and donations.



The Corporation of Norfolk County

Library Division - Schedule of Operations

Year Ended December 31,	2015	2014
Revenue		
Grants	\$ 176,775	\$ 124,884
Fees and service charges	54,141	40,447
Other revenue	<u>38,966</u>	<u>14,354</u>
	<u>269,882</u>	<u>179,685</u>
Expenses		
Salaries, wages and benefits	1,608,373	1,559,038
Materials and supplies	176,603	174,750
Services	211,504	324,924
Interdepartmental charges and interest	312,611	234,989
Amortization	<u>265,307</u>	<u>242,131</u>
	<u>2,574,398</u>	<u>2,535,832</u>
Deficiency of revenue over expenses before undernoted items	(2,304,516)	(2,356,147)
Transfer from reserves	-	9,431
Transfer to reserves	(320,678)	(274,700)
Debt principal repayments	<u>(89,598)</u>	<u>(86,638)</u>
Deficiency of revenue over expenses for the year financed by net municipal levy	\$ <u>(2,714,792)</u>	\$ <u>(2,708,054)</u>

The above financial information is included in the consolidated financial statements of Norfolk County.



The Corporation of Norfolk County

Museum Division - Schedule of Operations

Year Ended December 31,	2015	2014
Revenue		
Grants	\$ 58,135	\$ 52,004
Fees and service charges	<u>82,678</u>	<u>67,019</u>
	<u>140,813</u>	<u>119,023</u>
Expenses		
Salaries, wages and benefits	538,741	507,297
Materials and supplies	145,286	136,352
Services	54,370	65,370
Interdepartmental charges and interest	59,034	65,548
Amortization	<u>70,031</u>	<u>63,631</u>
	<u>867,462</u>	<u>838,198</u>
Deficiency of revenue over expenses for the year financed by net municipal levy	\$ <u>(726,649)</u>	\$ <u>(719,175)</u>

The above financial information is included in the consolidated financial statements of Norfolk County.

Independent Auditors' Report

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of Norfolk County

We have audited the accompanying financial statements of trust funds of The Corporation of Norfolk County which comprise of the balance sheet as at December 31, 2015 and the statement of continuity 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 Public Sector Accounting Standards, and for such internal control as management determines 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 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 our 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, we consider 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 accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Basis for Qualified Opinion

The Corporation of Norfolk County's trust funds derives revenue from selling cemetery plots and markers, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of The Corporation of Norfolk County trust funds. Therefore, we were not able to determine whether any adjustments might be necessary to sale of plots and markers and net receipts for the year ended December 31, 2015 and net assets as at December 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the balance sheet of The Corporation of Norfolk County's trust funds as at December 31, 2015 and the statement of continuity for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Millard, Rowe & Rosebry LLP

December 15, 2016
Simcoe, Ontario

Chartered Professional Accountants
Licensed Public Accountants



The Corporation of Norfolk County

Balance Sheet - Trust Funds

As at December 31, 2015

	Combined Cemetery Perpetual Care \$	Audrey Hellyer Trust \$	Mable Cattle Trust \$	W.P. Innes Trust \$	Arthur Mather Trust \$	Norview Residents Trust \$	Norview Bequest \$	Museum Trust \$	Courtland Firefighter Trust \$	Total 2015 \$	Total 2014 \$
Net assets											
Cash	122,335	14,337	-	480	1,336	79,641	-	-	-	218,129	161,464
Investments (note 2)	808,740	-	-	38,000	51,000	-	-	-	-	897,740	941,600
Due from (to) Norfolk County	107,757	(19)	844	(541)	(1,338)	15,742	43,039	10,000	147,931	323,415	161,389
Accounts receivable(payable)	<u>(630)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(630)</u>	<u>(627)</u>
Total net assets	<u>1,038,202</u>	<u>14,318</u>	<u>844</u>	<u>37,939</u>	<u>50,998</u>	<u>95,383</u>	<u>43,039</u>	<u>10,000</u>	<u>147,931</u>	<u>1,438,654</u>	<u>1,263,826</u>
Trust fund balance	<u>1,038,202</u>	<u>14,318</u>	<u>844</u>	<u>37,939</u>	<u>50,998</u>	<u>95,383</u>	<u>43,039</u>	<u>10,000</u>	<u>147,931</u>	<u>1,438,654</u>	<u>1,263,826</u>

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



The Corporation of Norfolk County

Statement of Continuity - Trust Funds

Year Ended December 31, 2015

	Combined Cemetery Perpetual Care \$	Audrey Hellyer Trust \$	Mable Cattle Trust \$	W.P. Innes Trust \$	Arthur Mather Trust \$	Norview Residents Trust \$	Norview Bequest \$	Museum Trust \$	Courtland Firefighter Trust \$	Total 2015 \$	Total 2014 \$
Receipts											
Sale of plots and markers	33,544	-	-	-	-	-	-	-	-	33,544	34,950
Donations	200	-	-	-	-	-	-	-	147,931	148,131	50
Investment income	30,028	121	-	478	1,335	-	-	-	-	31,962	31,685
Resident contributions	-	-	-	-	-	273,157	-	-	-	273,157	260,256
	<u>63,772</u>	<u>121</u>	<u>-</u>	<u>478</u>	<u>1,335</u>	<u>273,157</u>	<u>-</u>	<u>-</u>	<u>147,931</u>	<u>486,794</u>	<u>326,941</u>
Disbursements											
Transfer to Norfolk County	26,772	-	-	-	-	-	-	-	-	26,772	26,450
Transfer to cemetery boards	630	-	-	-	-	-	-	-	-	630	628
Resident withdraws	-	-	-	-	-	282,751	-	-	-	282,751	276,059
Transfer to others	-	-	-	478	1,335	-	-	-	-	1,813	1,797
	<u>27,402</u>	<u>-</u>	<u>-</u>	<u>478</u>	<u>1,335</u>	<u>282,751</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>311,966</u>	<u>304,934</u>
Net receipts for the year	36,370	121	-	-	-	(9,594)	-	-	147,931	174,828	22,007
Trust fund balance											
- beginning of year	<u>1,001,832</u>	<u>14,197</u>	<u>844</u>	<u>37,939</u>	<u>50,998</u>	<u>104,977</u>	<u>43,039</u>	<u>10,000</u>	<u>-</u>	<u>1,263,826</u>	<u>1,241,819</u>
Trust fund balance											
- end of year	<u>1,038,202</u>	<u>14,318</u>	<u>844</u>	<u>37,939</u>	<u>50,998</u>	<u>95,383</u>	<u>43,039</u>	<u>10,000</u>	<u>147,931</u>	<u>1,438,654</u>	<u>1,263,826</u>

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



The Corporation of Norfolk County

Notes to the Trust Funds Financial Statements

Year Ended December 31, 2015

1. Summary of significant accounting policies

a) Basis of accounting

Receipts and disbursements are reported on the accrual basis of accounting. The accrual basis of accounting recognizes receipts as it becomes available and measurable; disbursements are recognized as they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.

b) Management uncertainty

The preparation of financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. Investments

Investments are recorded at amortized cost less any amounts written off to reflect a permanent decline in value. Investments are comprised of:

	2015	2014
	\$	\$
Internal debentures	240,894	277,545
Government bonds	567,846	575,055
Term deposits	<u>89,000</u>	<u>89,000</u>
	<u>897,740</u>	<u>941,600</u>

3. Statement of cash flow

A statement of cash flow has not been provided as the information is readily available in the financial statements provided.