

GREY SAUBLE CONSERVATION AUTHORITY

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003



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FINANCIAL STATEMENTS

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INDEX

	<u>Page</u>
Auditor's Report	2
Statement of Financial Position	3
Statement of Reserve Funds Continuity	4
Statement of Operations and Surplus	5
Notes to the Financial Statements	6 - 7
Schedule of Government Grants	8
Schedule of Grey Bruce Forestry Services Revenue	8
Schedule of Rental Recoveries and Expenditures	9
Schedule of Water Management	10
Schedule of Environmental Planning	11
Schedule of Forestry	12
Schedule of Conservation Properties	13
Schedule of Conservation Information and Education	13
Schedule of Administrative Support	13
Schedule of Capital and Other Projects	14



AUDITOR'S REPORT

**To the Members of
Grey Sauble Conservation Authority**

We have audited the statement of financial position of Grey Sauble Conservation Authority as at December 31, 2003 and the statement of operations and surplus and the statement of reserve funds continuity for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

In common with many charitable organizations, the Grey Sauble Conservation Authority derives revenue from charitable donations and fundraising, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets, and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at December 31, 2003 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Tackaberry & King

Owen Sound, Ontario
January 21, 2004

Chartered Accountants

GREY SAUBLE CONSERVATION AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2003

	2003	2002
	\$	\$
<u>ASSETS</u>		
CURRENT		
Operating		
Cash and bank	137,350	141,353
Cash and bank - restricted for reserve appropriations	191,694	69,775
Accounts receivable	33,318	20,861
Reserve funds		
Cash and bank	92,235	767,736
Short term investments	700,000	-
Accrued interest receivable	5,037	-
	<u>1,159,634</u>	<u>999,725</u>

LIABILITIES

CURRENT		
Accounts payable and accrued charges	69,950	38,659
Deferred revenue (Note 3)	9,349	12,099
	<u>79,299</u>	<u>50,758</u>

NET ASSETS

RESERVE FUNDS (Page 4)	988,966	837,511
SURPLUS (Page 5)	91,369	111,456
	<u>1,080,335</u>	<u>948,967</u>
	<u>1,159,634</u>	<u>999,725</u>

Approved by the board

_____ Chair

_____ Treasurer

GREY SAUBLE CONSERVATION AUTHORITY

STATEMENT OF RESERVE FUNDS CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 2003

	Working Capital Reserve \$	(Note 5) Special Reserve Fund \$	Computer Replacement Reserve Fund \$	Major Dam Maintenance Reserve Fund \$	Vehicle Replacement Reserve Fund \$
Balance, beginning of year	60,000	-	16,834	82,621	24,303
Appropriations from operations	-	40,482	6,422	2,772	33,708
	60,000	40,482	23,256	85,393	58,011
Appropriations to operations	-	-	8,628	8,326	21,917
Balance, end of year	60,000	40,482	14,628	77,067	36,094

	Administration Centre Reserve Fund \$	Property Reserve Fund \$	Forest Management Reserve Fund \$	Total 2003 \$	Total 2002 \$
Balance, beginning of year	11,134	6,767	635,852	837,511	807,253
Appropriations from operations	34,002	167	380,991	498,544	345,648
	45,136	6,934	1,016,843	1,336,055	1,152,901
Appropriations to operations	4,616	-	303,602	347,089	315,390
Balance, end of year	40,520	6,934	713,241	988,966	837,511

See the accompanying notes to these financial statements

GREY SAUBLE CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS AND SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2003

	2003	2002	
	Budget (Unaudited)	Actual	
	\$	\$	
REVENUE			
Government grants (Page 8)	75,000	122,495	172,120
Municipal levies	512,737	512,737	481,072
Special levies	4,500	706	-
Grey Bruce forestry services (Page 8)	100,000	102,467	93,745
Hibou, Inglis Falls and Old Baldy user fees	9,000	26,421	11,002
Property rental	25,000	25,487	27,239
Office rental	14,000	13,128	16,051
Planning and regulation fees	70,000	71,413	46,497
Timber and wood sales	275,000	353,745	237,067
Interest earned	6,000	30,591	20,592
Donations - Grey Sauble Conservation Foundation	21,000	24,542	23,749
- Other and Bruce Ski Club	5,780	12,622	13,134
In-kind contribution	-	70,000	-
Net rental recoveries and expenditures (Page 9)	24,000	30,809	22,043
Healthy Futures	-	47,075	23,367
The Great Outdoors Daycamp	9,000	9,716	11,662
Miscellaneous	4,900	23,364	7,728
	1,155,917	1,477,318	1,207,068
EXPENDITURES			
Water management (Page 10)	157,642	148,442	133,659
Environmental planning (Page 11)	153,962	153,803	99,767
Forestry - Operations on Authority land (Page 12)	149,686	152,240	158,968
- Grey Bruce forestry services (Page 12)	100,000	91,587	88,296
Conservation properties (Page 13)	286,645	293,644	225,545
Conservation information and education (Page 13)	102,950	103,468	87,313
Administrative support (Page 13)	150,482	152,467	122,915
Administration parking area/driveway	-	70,000	-
Land acquisitions	-	-	50,606
Donations - Grey Sauble Conservation Foundation	2,500	2,380	2,597
- Other and Bruce Ski Club	500	9,484	100
Capital and other projects (Page 14)	341,300	131,421	161,990
Miscellaneous	250	600	180
Watershed report card	-	2,770	-
Healthy Futures	-	33,644	17,818
	1,445,917	1,345,950	1,149,754
EXCESS OF REVENUE OVER EXPENDITURES	(290,000)	131,368	57,314
APPROPRIATIONS			
From reserve funds	570,000	347,089	315,390
To reserve funds	(310,000)	(498,544)	(345,648)
	260,000	(151,455)	(30,258)
SURPLUS, beginning of year	30,000	111,456	84,400
SURPLUS, end of year	-	91,369	111,456

See the accompanying notes to these financial statements

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003

1. NATURE OF THE ORGANIZATION

The Grey Sauble Conservation Authority (the "Authority") is established under the Conservation Authorities Act of Ontario to further the conservation, restoration, development and management of natural resources, other than gas, oil, coal and minerals for the watersheds within its area of jurisdiction. The watersheds include areas in the Municipalities of Arran-Elderslie, Grey Highlands and Meaford, Towns of The Blue Mountains and South Bruce Peninsula, Townships of Chatsworth and Georgian Bluffs, and the City of Owen Sound.

The Authority's mission is:

In partnership with the stakeholders of the watershed, to promote and undertake sustainable management of renewable natural resources and provide responsible leadership to enhance bio-diversity and environmental awareness.

The Authority is a registered charity and is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Capital Assets

Capital assets are charged to current expenditures unless financed by long term debt. Capital assets are included on the balance sheet only to the extent of the balances of the related long term liabilities outstanding and of the related temporary financing at the end of the year.

(b) Revenue Recognition

Restricted contributions related to general operations are recognized as operating revenue in the year which the related expenses are incurred.

(c) Reserve Funds

Internally restricted reserve funds have been established by the Board of Directors for specific purposes within the Conservation Authority. The purpose of each reserve is outlined by its name. Certain unrestricted revenues are appropriated to the related reserve fund for future use. Appropriations are made from specific reserve funds to offset related operating expenses.

(d) Other Charges

For grant purposes, Conservation Authorities are permitted to charge operations with an internal rental charge for the use of their vehicles and equipment.

GREY SAUBLE CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

AS AT DECEMBER 31, 2003

3. DEFERRED REVENUE

Deferred revenue consists of unexpended grants and donations restricted by contributors for specific purposes.

	<u>2003</u>	<u>2002</u>
Arboretum	\$ 2,125	\$ -
Drain classification study	3,283	1,797
Bio-Mapping	1,685	1,079
County of Grey - brochure printing funding	-	1,000
GSCA Foundation 2003 spring cleanup for Eugenia	1,156	1,380
Bruce Ski Club improvements	1,100	6,843
	<u>\$ 9,349</u>	<u>\$ 12,099</u>

4. FINANCIAL INSTRUMENTS

The Authority's financial instruments include cash and bank, accounts receivable, short term investments, accrued interest receivable, accounts payable and accrued charges, and deferred revenue. The fair values of all these financial instruments approximate their carrying values because of their expected short term maturity and treatment of normal trade terms.

5. SPECIAL RESERVES

The board of directors has internally restricted amounts for future use towards the following projects:

	<u>2003</u>	<u>2002</u>
Fill Regulations Mapping	\$ 20,000	\$ -
Inglis Falls Parking	482	-
2004 Ploughing Match	10,000	-
Watershed Aerial Photography	10,000	-
	<u>\$ 40,482</u>	<u>\$ -</u>

6. COMPARATIVE AMOUNTS

Certain comparative amounts have been changed to conform with the financial statement presentation adopted for these financial statements.

7. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented because the changes in the organization's cash flows can be readily determined from the accompanying financial statements.

8. BUDGET FIGURES

Budget amounts are provided for information purposes only and are unaudited. Management calculates these amounts based on known and estimated revenues and expenditures. The budget also provides for future anticipated costs (fill regulation mapping, Inglis Falls capital projects, 2004 ploughing match and watershed aerial photography) and appropriations to and from the reserve funds.

GREY SAUBLE CONSERVATION AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2003

GOVERNMENT GRANTS

	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Provincial - Program Operating			
Flood and Erosion	-	56,525	62,481
Plan input and administrative support	-	15,254	9,298
	70,000	71,779	71,779
Provincial - Other			
Special Infrastructure -NAPP 2001	-	-	3,426
Special Infrastructure -ELAP	-	35,440	17,157
Land Acquisition - ELAP	-	-	50,606
Summer student program	5,000	3,709	3,825
Federal/Provincial - Special Water Programs	-	5,265	23,409
Federal - Summer student program	-	6,302	1,918
	75,000	122,495	172,120

GREY BRUCE FORESTRY SERVICES REVENUE

	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Trees and landscape stock		70,577	73,054
Planning		1,480	420
Planting		8,879	5,910
Site inspections		1,350	2,400
Pruning and marking		4,860	6,144
Vegetation control		3,861	4,805
Tree planting incentive		11,460	-
Other		-	1,012
	100,000	102,467	93,745

GREY SAUBLE CONSERVATION AUTHORITY
FOR THE YEAR ENDED DECEMBER 31, 2003

RENTAL RECOVERIES AND EXPENDITURES

		2003	2002
		Budget (Unaudited)	Actual
		\$	\$
<u>RECOVERIES</u>			
Vehicle	Flood control and warning	3,645	3,688
	Operating conservation property	15,195	12,812
	Forest management	6,026	5,430
	Grey Bruce forestry services	4,433	5,275
	Erosion control	79	47
	Land use planning and regulation	6,989	6,196
	Conservation information and education	1,253	1,182
	Administrative support	825	1,250
	Special programs	9,011	4,870
	Equipment	Flood control and warning	88
Operating conservation property		2,143	2,000
Grey Bruce forestry services		490	966
Computer		6,000	6,000
		56,177	49,935
<u>EXPENDITURES</u>			
Vehicle	Fuel	14,444	12,443
	Repairs	2,845	8,214
	Licenses and insurance	5,076	5,113
Equipment	Fuel	1,126	341
	Repair	1,877	1,781
		25,368	27,892
Net Rental Recoveries and Expenditures		24,000	30,809
		24,000	22,043

GREY SAUBLE CONSERVATION AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2003

WATER MANAGEMENT EXPENDITURES	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Flood Forecast and Warning			
Salaries and benefits	91,828	91,828	81,100
Service contracts	2,700	1,000	1,350
Vehicle and equipment rentals	2,200	2,812	2,626
Materials and supplies	3,400	3,607	2,278
Services, rents and utilities	19,000	21,414	19,255
	<u>119,128</u>	<u>120,661</u>	<u>106,609</u>
Flood Control Structures			
Clendenan dam	9,000	9,000	10,183
Taylor Street retention pond	1,500	112	158
	<u>10,500</u>	<u>9,112</u>	<u>10,341</u>
Dams			
Salaries and benefits	8,517	8,517	7,212
Service contracts	-	-	294
Vehicle and equipment rentals	1,500	1,016	970
Materials and supplies	375	312	491
Services, rents and utilities	1,000	864	882
Dam maintenance	1,000	48	1,173
	<u>12,392</u>	<u>10,757</u>	<u>11,022</u>
Ice Management			
Beaver River	9,000	-	115
Bighead River	-	1,412	-
	<u>9,000</u>	<u>1,412</u>	<u>115</u>
Erosion Control			
Salaries and benefits	5,492	5,492	4,517
Vehicle and equipment rentals	250	79	47
Materials and supplies	180	187	191
Services, rents and utilities	700	742	817
	<u>6,622</u>	<u>6,500</u>	<u>5,572</u>
	<u>157,642</u>	<u>148,442</u>	<u>133,659</u>

GREY SAUBLE CONSERVATION AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2003

ENVIRONMENTAL PLANNING EXPENDITURES	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Drain Classification Study			
Salaries and benefits	-	-	2,083
Materials and supplies	-	1,418	1,047
Services, rents and utilities	-	2,346	30
	-	3,764	3,160
Bio-Mapping			
Salaries and benefits	2,000	2,364	3,114
Vehicle and equipment rentals	500	31	191
Materials and supplies	500	-	304
	3,000	2,395	3,609
Groundwater Monitoring			
Salaries and benefits	2,000	2,896	1,151
Vehicle and equipment rentals	500	811	624
Materials and supplies	5,500	622	342
Services and rents	-	645	-
	8,000	4,974	2,117
Watershed Management			
Salaries and benefits	17,682	17,682	16,794
Vehicle and equipment rentals	1,000	1,538	633
Materials and supplies	500	956	732
	19,182	20,176	18,159
Land Use Planning and Regulation			
Salaries and benefits	109,780	108,908	61,574
Service contracts	2,000	1,000	-
Vehicle and equipment rentals	6,500	7,080	6,216
Materials and supplies	2,500	2,360	1,031
Services, rents and utilities	3,000	3,146	3,901
	123,780	122,494	72,722
	153,962	153,803	99,767

GREY SAUBLE CONSERVATION AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2003

FORESTRY EXPENDITURES	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Operations on Authority Land			
Salaries and benefits	95,586	99,080	93,604
Service contracts	8,000	3,799	-
Vehicle and equipment rentals	7,600	6,103	14,446
Materials and supplies	14,000	17,516	14,089
Services, rents and utilities	24,000	25,742	23,544
Workshops	500	-	-
2002 ELAP	-	-	13,285
	<u>149,686</u>	<u>152,240</u>	<u>158,968</u>
Grey Bruce Forestry Services			
Purchases		50,985	61,002
Planning		220	495
Planting		11,698	5,907
Site inspections		3,483	4,033
Pruning and marking		1,316	2,922
Vegetation control		7,522	2,802
Wages and benefits		-	4,880
Tree planting incentive program		11,954	5,467
Other		4,409	788
	<u>100,000</u>	<u>91,587</u>	<u>88,296</u>

GREY SAUBLE CONSERVATION AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2003

**CONSERVATION PROPERTIES
EXPENDITURES**

	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Recreation Use Areas			
Salaries and benefits	168,445	168,101	122,045
Service contracts	11,000	10,894	10,797
Vehicle and equipment rentals	13,000	16,466	13,614
Materials and supplies	13,000	13,506	11,238
Services, rents and utilities	34,000	31,113	26,914
Infrastructure	500	500	422
Picnic table replacement	1,700	2,270	1,700
Gate House	-	12,733	-
Property taxes	45,000	38,061	38,815
	<u>286,645</u>	<u>293,644</u>	<u>225,545</u>

**CONSERVATION INFORMATION AND EDUCATION
EXPENDITURES**

	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Salaries and benefits	57,291	57,291	47,122
Assistant salaries and benefits	15,000	15,000	11,815
Vehicle and equipment rentals	1,300	2,029	1,220
Materials and supplies	3,500	3,547	4,664
Services, rents and utilities	3,500	4,502	4,878
Advertising contracts	4,500	3,401	2,903
Brochures	6,000	6,953	270
Web site design	2,859	1,434	2,779
The Great Outdoors Daycamp	9,000	9,311	11,662
	<u>102,950</u>	<u>103,468</u>	<u>87,313</u>

**ADMINISTRATIVE SUPPORT
EXPENDITURES**

	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Salaries and benefits	120,477	120,477	96,121
Board members' allowances	7,000	6,307	7,547
Vehicle and equipment rentals	2,000	1,744	2,404
Materials and supplies	8,405	9,446	6,376
Services, rents and utilities	12,000	7,756	8,682
Minor infrastructure	600	270	380
Biennial Tour	-	-	1,405
Legal fees for Black Park	-	4,912	-
Source Water Protection	-	1,555	-
	<u>150,482</u>	<u>152,467</u>	<u>122,915</u>

GREY SAUBLE CONSERVATION AUTHORITY

FOR THE YEAR ENDED DECEMBER 31, 2003

CAPITAL AND OTHER PROJECT EXPENDITURES	2003		2002
	Budget (Unaudited)	Actual	Actual
	\$	\$	\$
Administration windows	-	-	52,118
Vehicle purchase	20,000	19,253	22,121
Fill regulation mapping (Note 8)	20,000	-	17,383
Inglis Falls capital projects (Note 8)	200,000	2,201	12,871
Gauges	-	-	10,387
Tara Dam Committee	-	112	-
Computer equipment	13,000	8,628	7,103
Groundwater capital	-	456	6,545
Data logger	-	-	3,797
Equipment	-	2,664	3,552
Mill Dam gate repairs	2,000	2,000	2,332
Minor infrastructure -signs	7,000	6,940	3,039
-access	-	347	-
Arboretum entrance	-	-	7,981
Eugenia Falls Cleanup	-	224	-
- 2001	-	-	3,722
ELAP - 2002	2,000	-	9,039
Mill Dam hydraulic controls	5,000	912	-
2004 ploughing match (Note 8)	5,000	-	-
Mill Dam concrete repair	10,000	5,414	-
Watershed aerial photography (Note 8)	10,000	-	-
Inglis Falls gate house	-	2,955	-
Roof repairs at areas	2,800	3,492	-
Privy replacements - Christie Beach	6,500	6,270	-
Property fencing	18,000	9,375	-
New shop roof	12,000	17,946	-
Office/Arboretum Improvements	8,000	4,616	-
ELAP - 2003	-	37,616	-
	<u>341,300</u>	<u>131,421</u>	<u>161,990</u>