

**Grey Sauble Conservation Authority
Financial Statements
For the year ended December 31, 2004**



BDO Dunwoody LLP
Chartered Accountants
and Advisors

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Grey Sauble Conservation Authority
Financial Statements
For the year ended December 31, 2004

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Auditors' Report

To the Members of Grey Sauble Conservation Authority

We have audited the statement of financial position of the Grey Sauble Conservation Authority as at December 31, 2004 and the statement of operations and surplus and continuity of reserves for the year then ended. These financial statements are the responsibility of the Conservation Authority's management. 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 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 Conservation Authority as at December 31, 2004 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2003 and for the year then ended were audited by other auditors who expressed an opinion without reservation on those statements in their report dated January 21, 2004.

BDO Dunwoody LLP

Chartered Accountants

Owen Sound, Ontario
January 20, 2005

Grey Sauble Conservation Authority Statement of Financial Position

December 31	2004	2003
Assets		
Current		
Cash - operating fund	\$ 233,014	\$ 197,350
Cash restricted for reserve funds	10,044	131,694
Cash - reserve funds	984,227	92,235
Marketable securities	-	700,000
Accounts receivable	22,414	33,318
Interest receivable - reserve funds	-	5,037
	\$ 1,249,699	\$ 1,159,634

Liabilities and Surplus

Current		
Accounts payable and accrued liabilities	\$ 52,215	\$ 69,950
Deferred revenue (Note 4)	50,171	9,349
	102,386	79,299
Surplus		
Reserve for Working Capital	60,000	60,000
Reserve Funds (Page 4)	1,005,811	928,966
Surplus (Page 6)	81,502	91,369
	1,147,313	1,080,335
	\$ 1,249,699	\$ 1,159,634

On behalf of the Board:

_____ Director

_____ Director

Grey Sauble Conservation Authority Statement of Continuity of Reserve Funds

For the year ended December 31, 2004	(Note 5) Special	Computer Replacement	Major Dam Maintenance	Vehicle Replacement
Balance, beginning of year	\$ 40,482	\$ 14,628	\$ 77,067	\$ 36,094
Appropriations from operations	50,948	6,000	-	21,173
Interest earned	344	300	2,022	603
	91,774	20,928	79,089	57,870
Appropriations to operations	10,000	12,065	4,102	2,327
Balance, end of year	\$ 81,774	\$ 8,863	\$ 74,987	\$ 55,543

For the year ended December 31, 2004	Administration Centre	Property	Forest Management	Total 2004	Total 2003
Balance, beginning of year	\$ 40,520	\$ 6,934	\$ 713,241	\$ 928,966	\$ 777,511
Appropriations from operations	15,827	-	326,500	420,448	498,544
Interest earned	547	133	16,905	20,854	-
	56,894	7,067	1,056,646	1,370,268	1,276,055
Appropriations to operations	9,057	-	326,906	364,457	347,089
Balance, end of year	\$ 47,837	\$ 7,067	\$ 729,740	\$ 1,005,811	\$ 928,966

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

Grey Sauble Conservation Authority Statement of Operations and Surplus

For the year ended December 31, 2004	Budget	2004	2003
Revenue			
Government grants (Page 10)	\$ 75,000	\$ 85,261	\$ 122,495
Municipal levies	577,318	577,318	512,737
Special levies	4,500	5,822	706
Grey Bruce Forestry services (Page 10)	100,000	128,074	102,467
User fees	136,487	147,713	136,449
Timber and wood sales	275,000	324,768	353,745
Interest earned	10,000	8,882	30,591
Donations	23,225	18,302	37,164
In-kind contribution	-	-	70,000
Net rental recoveries (Page 11)	28,000	26,672	30,809
Healthy Futures	-	-	47,075
The Great Outdoors Daycamp	9,000	9,189	9,716
2004 IPM	10,000	14,373	-
Forest 2020	-	1,386	-
Sourcewater Protection	-	7,500	-
Miscellaneous	18,722	22,589	23,364
	1,267,252	1,377,849	1,477,318
Expenditures			
Water management (Page 12)	163,800	159,230	148,442
Environmental planning (Page 13)	164,882	157,316	153,803
Forestry -Operations on Authority land (Page 14)	152,700	151,644	152,240
-Grey Bruce Forestry services (Page 14)	100,000	126,342	91,587
Conservation properties (Page 15)	315,975	315,096	293,644
Conservation information and education (Page 15)	118,300	115,253	103,468
Administrative support (Page 15)	164,522	165,855	152,467
Administrative parking area/driveway	-	-	70,000
Donations	2,800	2,765	11,864
Capital and other projects (Page 17)	211,960	124,798	131,421
Miscellaneous	4,500	4,539	600
Healthy Futures/Watershed report card	-	-	36,414
Sourcewater Protection (Page 16)	-	7,501	-
Forest 2020 (Page 16)	-	1,386	-
	1,399,439	1,331,725	1,345,950
Excess of revenue over expenditures (expenditures over revenue) for the year	(132,187)	46,124	131,368
Appropriations			
From reserve funds	430,030	364,457	347,089
To reserve funds	(311,000)	(420,448)	(498,544)
	119,030	(55,991)	(151,455)
Surplus, beginning of year	91,369	91,369	111,456
Surplus, end of year	\$ 78,212	\$ 81,502	\$ 91,369

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

Grey Sauble Conservation Authority

Notes to Financial Statements

December 31, 2004

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, the Towns of The Blue Mountains and South Bruce Peninsula, the 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

The Authority has adopted the accounting principles as approved by Conservation Ontario and the Ministry of Natural Resources. The more significant accounting principles are as follows:

Accrual Accounting

The accrual basis of accounting is used to record expenditures in the period in which they are incurred and recognize income in the period in which it is earned, except for some Government grants on eligible expenses which may be recognized when received in the subsequent year.

Reserves

Appropriations are made from operations to reserves for future expenditures and contingencies for such amounts as are deemed appropriate and upon approval of the Board of Directors.

Capital Expenditures

The cost of capital assets is fully expensed in the year of acquisition.

Vehicles and Equipment

The Authority operates a motor pool of vehicles and equipment. Internal charges for the use of vehicles and equipment are made to the various projects and programs of the Authority based on an hourly or distance-travelled rate, which is designed to recover all costs of operating the pool including replacement of equipment.

These internal charges are included in the appropriate expense classifications. Expenditures incurred by the motor pool for the purchase of equipment and the operating costs are netted against the recovery of expenses by internal charges and are reported in the Statement of Operations and Surplus.

Grey Sauble Conservation Authority Notes to Financial Statements

December 31, 2004

2. Summary of Significant Accounting Policies (continued)

Financial Instruments

The Authority's financial instruments consist of cash, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the Authority is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

3. Pension Plan

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

The amount contributed to OMERS for 2004 was \$65,743 (2003 - \$27,445) for current service and is included as an expenditure on the statement of operations.

4. Deferred Revenue

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

	2004		2003
Arboretum	\$ -	\$	2,125
Bio-Mapping	1,543		1,685
Bruce Ski Club improvements	-		1,100
Clarksburg Ice Study	13,003		-
Department of Fisheries and Oceans Fish Poster	1,744		-
Drain classification study	2,061		3,283
Friends of John Muir/Epping Lookout	2,500		-
GSCA Foundation - Eugenia cleanup	1,156		1,156
MNR Capital Projects	28,164		-
	<u>\$ 50,171</u>	\$	<u>9,349</u>

Grey Sauble Conservation Authority Notes to Financial Statements

December 31, 2004

5. Special Reserves

The Board of Directors has internally restricted amounts for future use towards the following projects:

	<u>2004</u>		<u>2003</u>
Fill Regulations Mapping	\$ 40,226	\$	20,000
Inglis Falls Parking	13,435		482
2004 Plowing Match	-		10,000
Watershed Aerial Photography	20,113		10,000
Privy	8,000		-
	<u>\$ 81,774</u>	\$	<u>40,482</u>

6. Budget Figures

The budget figures are those approved by the Board of the Authority and have not been audited.

7. Statement of Cash Flows

A statement of cash flows is not presented since the cash flow information is readily apparent from other financial statements or is adequately disclosed in the notes to the financial statements.

8. Comparative Amounts

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.



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Auditors' Comments on Supplementary Financial Information

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

The audited financial statements of the organization as at December 31, 2004 and our report thereon dated January 20, 2005 are presented in the preceding section of this annual report. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

BDO Dunwoody LLP

Chartered Accountants

Owen Sound, Ontario
January 20, 2005

Grey Sauble Conservation Authority Schedule of Revenue

For the year ended December 31	Budget	2004	2003
Government grants			
Provincial - Program Operating			
Flood control and warning	\$ 70,000	\$ 74,807	\$ 71,779
Special capital	-	1,836	-
	70,000	76,643	71,779
Provincial - Other			
Special Infrastructure - ELAP	-	-	35,440
Special Infrastructure	-	1,997	-
Summer student program	5,000	4,118	3,709
Federal/Provincial - Special Water Programs	-	-	5,265
Federal - Summer student program	-	2,503	6,302
	\$ 75,000	\$ 85,261	\$ 122,495
Grey Bruce Forestry Services			
Trees and landscape stock	\$ -	\$ 89,204	\$ 70,577
Planning	-	2,910	1,480
Planting	-	13,780	8,879
Site inspections	-	800	1,350
Pruning and marking	-	7,618	4,860
Vegetation control	-	-	3,861
Tree planting incentive	-	8,676	11,460
Other	-	5,086	-
	\$ 100,000	\$ 128,074	\$ 102,467

Grey Sauble Conservation Authority Schedule of Rental Recoveries and Expenditures

For the year ended December 31	Budget	2004	2003
Recoveries			
Vehicle			
Flood control and warning	\$	3,586	\$ 3,645
Operating conservation property		19,380	15,195
Forest management		6,118	6,026
Grey Bruce Forestry services		6,069	4,433
Erosion control		137	79
Land use planning and regulation		9,457	6,989
Conservation information and education		1,869	1,253
Administrative support		1,116	825
Special programs		3,886	9,011
Equipment			
Flood control and warning		207	88
Operating conservation property		3,354	2,143
Forest management		28	490
Administrative support		40	-
Computer			
		6,000	6,000
		61,247	56,177
Expenditures			
Vehicle			
Fuel		14,265	14,444
Repairs		8,673	2,845
Licenses and insurance		6,532	5,076
Equipment			
Fuel		755	1,126
Repairs		4,098	1,877
Licenses and insurance		252	-
		34,575	25,368
Excess of recoveries over expenditures	\$	28,000	\$ 30,809

Grey Sauble Conservation Authority Schedule of Water Management Expenditures

For the year ended December 31	Budget	2004	2003
Flood Forecast and Warning			
Salaries and benefits	\$ 96,000	\$ 96,000	\$ 91,828
Service contracts	1,000	1,000	1,000
Vehicle and equipment rentals	2,800	2,869	2,812
Materials and supplies	3,600	2,578	3,607
Services, rents and utilities	21,500	20,236	21,414
	<u>124,900</u>	<u>122,683</u>	<u>120,661</u>
Flood Control Structures			
Clendenan dam	9,000	9,000	9,000
Taylor Street retention pond	1,500	166	112
	<u>10,500</u>	<u>9,166</u>	<u>9,112</u>
Dams			
Salaries and benefits	9,000	9,000	8,517
Service contracts	-	225	-
Vehicle and equipment rentals	1,000	1,095	1,016
Materials and supplies	400	718	312
Services, rents and utilities	1,000	901	864
Dam maintenance	1,000	608	48
	<u>12,400</u>	<u>12,547</u>	<u>10,757</u>
Ice Management			
Beaver River	9,000	7,650	-
Bighead River	-	-	1,412
	<u>9,000</u>	<u>7,650</u>	<u>1,412</u>
Erosion Control			
Salaries and benefits	5,800	5,800	5,492
Vehicle and equipment rentals	250	235	79
Materials and supplies	200	183	187
Services, rents and utilities	750	966	742
	<u>7,000</u>	<u>7,184</u>	<u>6,500</u>
	<u>\$ 163,800</u>	<u>\$ 159,230</u>	<u>\$ 148,442</u>

**Grey Sauble Conservation Authority
Schedule of Environmental Planning Expenditures**

For the year ended December 31	Budget	2004	2003
Drain Classification Study			
Materials and supplies	\$ 3,282	\$ 1,222	\$ 1,418
Services, rents, and utilities	-	-	2,346
	<u>3,282</u>	<u>1,222</u>	<u>3,764</u>
Bio-Mapping			
Salaries and benefits	2,350	2,858	2,364
Vehicle and equipment rentals	500	278	31
Materials and supplies	500	6	-
	<u>3,350</u>	<u>3,142</u>	<u>2,395</u>
Groundwater Monitoring			
Salaries and benefits	2,800	2,806	2,896
Vehicle and equipment rentals	800	1,016	811
Materials and supplies	4,500	555	622
Services, rents and utilities	1,000	950	645
	<u>9,100</u>	<u>5,327</u>	<u>4,974</u>
Watershed Management			
Salaries and benefits	19,200	17,306	17,682
Vehicle and equipment rentals	2,500	4,338	1,538
Materials and supplies	1,000	117	956
Services, rents and utilities	-	9	-
	<u>22,700</u>	<u>21,770</u>	<u>20,176</u>
Land Use Planning and Regulation			
Salaries and benefits	111,800	106,670	108,908
Service contracts	2,000	1,960	1,000
Vehicle and equipment rentals	7,000	8,901	7,080
Materials and supplies	2,500	3,375	2,360
Services, rents and utilities	3,150	4,949	3,146
	<u>126,450</u>	<u>125,855</u>	<u>122,494</u>
	<u>\$ 164,882</u>	<u>\$ 157,316</u>	<u>\$ 153,803</u>

Grey Sauble Conservation Authority Schedule of Forestry Expenditures

For the year ended December 31	Budget	2004	2003
Operations on Authority Land			
Salaries and benefits	\$ 101,000	\$ 99,177	\$ 99,080
Service contracts	-	-	3,799
Vehicle and equipment rentals	6,500	6,204	6,103
Materials and supplies	17,500	17,289	17,516
Services, rents and utilities	27,700	28,974	25,742
	\$ 152,700	\$ 151,644	\$ 152,240
Grey Bruce Forestry Services			
Purchases	\$ -	\$ 74,401	\$ 50,985
Planning	-	4,501	220
Planting	-	19,413	11,698
Site inspections	-	4,737	3,483
Pruning and marking	-	5,428	1,316
Vegetation control	-	6,418	7,522
Wages and benefits	-	1,974	-
Tree planting incentive program	-	7,679	11,954
Other	-	1,791	4,409
	\$ 100,000	\$ 126,342	\$ 91,587

Grey Sauble Conservation Authority
Schedule of Conservation and Administrative Expenditures

For the year ended December 31	Budget	2004	2003
Recreation Use Areas			
Salaries and benefits	\$ 176,000	\$ 172,368	\$ 168,101
Service contracts	18,750	14,108	10,894
Vehicle and equipment rentals	16,500	21,710	16,466
Materials and supplies	14,000	11,592	13,506
Services, rents and utilities	37,400	33,163	31,113
Infrastructure	500	-	500
Picnic table replacement	1,700	2,199	2,270
Gate House	9,000	8,559	12,733
Property taxes	40,000	47,725	38,061
Community Conservation Team	-	3,672	-
Arboretum Alliance	2,125	-	-
	\$ 315,975	\$ 315,096	\$ 293,644
Conservation Information and Education			
Salaries and benefits	\$ 73,000	\$ 58,479	\$ 57,291
Foundation salaries and benefits	-	15,000	15,000
Vehicle and equipment rentals	2,000	2,163	2,029
Materials and supplies	3,500	2,340	3,547
Services, rents and utilities	4,500	5,904	4,502
Advertising contracts	16,800	14,341	3,401
Brochures	8,000	6,266	6,953
Web site design	1,500	1,297	1,434
The Great Outdoors Daycamp	9,000	9,463	9,311
	\$ 118,300	\$ 115,253	\$ 103,468
Administrative Support			
Salaries and benefits	\$ 130,722	\$ 130,472	\$ 120,477
Board members' allowances	4,200	7,185	6,307
Vehicle and equipment rentals	2,000	1,752	1,744
Materials and supplies	8,000	6,035	9,446
Services, rents and utilities	16,000	18,076	7,756
Minor infrastructure	600	600	270
Biennial Tour	3,000	1,735	-
Legal fees for Black Park	-	-	4,912
Source Water Protection	-	-	1,555
	\$ 164,522	\$ 165,855	\$ 152,467

**Grey Sauble Conservation Authority
Schedule of Sourcewater and Forest 2020 Expenditures**

For the year ended December 31	Budget	2004	2003
Sourcewater Protection			
Materials and supplies	\$ -	\$ 7,296	\$ -
Services, rents and utilities	-	205	-
	\$ -	\$ 7,501	\$ -
Forest 2020			
Salaries and benefits	\$ -	\$ 1,166	\$ -
Vehicle and equipment rentals	-	220	-
	\$ -	\$ 1,386	\$ -

Grey Sauble Conservation Authority Schedule of Capital and Other Project Expenditures

For the year ended December 31	Budget	2004	2003
Vehicle purchase	\$ -	\$ -	\$ 19,253
Inglis Falls capital projects	-	-	2,201
Clendenan Dam Safety Study	15,000	-	-
Clarksburg Ice Study	-	3,994	-
Tara Dam Committee	-	4,102	112
Computer equipment	5,500	12,065	8,628
Groundwater capital	-	-	456
Equipment	-	2,327	2,664
Mill Dam gate repairs	-	-	2,000
Minor infrastructure - signs	5,500	3,220	6,940
- property fencing	10,000	1,088	347
- privy replacement	8,000	-	-
Eugenia Falls Cleanup	1,380	-	224
Ecological Land Acquisition Program - 2003	-	-	37,616
2004 plowing match	15,000	30,718	-
Mill Dam hydraulic controls	-	-	912
Mill Dam concrete repair	-	-	5,414
Watershed aerial photography (Note 5)	10,000	-	-
Inglis Falls gate house	-	-	2,955
Inglis Falls parking lot	25,000	-	-
Roof repairs	3,050	1,674	3,492
Privy replacements	-	-	6,270
Property fencing	-	-	9,375
Rankin Dam railings	-	1,836	-
Regulation Mapping	20,000	-	-
Blacks Park expenses	20,000	12,120	-
Forestry spraying and reforestation	51,030	42,597	-
GIS technician	10,000	-	-
Office/Arboretum Improvements	10,000	9,057	4,616
New shop roof	-	-	17,946
Trees For Tomorrow	2,500	-	-
	\$ 211,960	\$ 124,798	\$ 131,421