

Financial Statements of

**NICKEL DISTRICT
CONSERVATION AUTHORITY**

And Independent Auditor's Report thereon

Year ended December 31, 2025



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INDEPENDENT AUDITOR'S REPORT

To the Members of Nickel District Conservation Authority of Nickel District Conservation Authority

Opinion

We have audited the financial statements of Nickel District Conservation Authority (the Entity), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2025, and its results of operations, its remeasurement of gains and losses, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.



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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

June 11, 2026

NICKEL DISTRICT CONSERVATION AUTHORITY

Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial Assets		
Cash	\$ 909,655	\$ 620,379
Investments (note 2)	2,023,276	1,885,324
Accounts receivable	604,246	715,014
Due From Nickel District Conservation Foundation	77,917	170,297
	<u>3,615,094</u>	<u>3,391,014</u>
Financial Liabilities		
Accounts payable and accrued liabilities	423,413	538,128
Deferred contributions (note 4)	63,024	47,249
	<u>486,437</u>	<u>585,377</u>
Net financial assets	3,128,657	2,805,637
Non-Financial Assets		
Prepaid expenses	32,690	14,966
Tangible capital assets (note 7)	15,084,866	14,776,650
Commitments and contingencies (note 8)		
Accumulated surplus	\$ 18,246,213	\$ 17,597,253
Accumulated surplus is comprised of:		
Accumulated operating surplus (note 6)	\$ 17,825,184	\$ 17,258,214
Accumulated remeasurement gains	421,029	339,039
	<u>\$ 18,246,213</u>	<u>\$ 17,597,253</u>

See accompanying notes to financial statements.

On behalf of the Board:



Chair



Secretary - Treasurer

NICKEL DISTRICT CONSERVATION AUTHORITY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 10)	2025 Actual	2024 Actual
Revenue:			
Municipal levy - operating	\$ 997,632	\$ 997,632	\$ 895,178
Municipal levy - capital	375,000	375,000	375,000
Provincial grants	210,106	491,463	569,477
Federal grants	99,772	315,273	508,513
Corporate grants	-	4,000	5,380
Other grants	-	-	5,000
Property rental	180,000	237,961	219,012
User fees	330,660	352,182	295,582
Donations and other	36,688	114,789	118,471
Investment income	90,002	105,573	52,296
	2,319,860	2,993,873	3,043,909
Expenses (note 9):			
Corporate Services	481,157	594,741	485,806
Education and Engagement	299,820	281,857	272,137
Infrastructure	459,639	469,801	416,415
Conservation Authority Lands	225,255	265,455	251,679
Planning and Development Services	373,824	373,401	378,575
Water Risk Management	492,306	359,963	324,668
Watershed Stewardship	56,914	81,685	49,792
	2,388,915	2,426,903	2,179,072
Annual surplus (deficit)	(69,055)	566,970	864,837
Accumulated surplus, beginning of year	17,258,214	17,258,214	16,393,377
Accumulated surplus, end of year	\$ 17,189,159	\$ 17,825,184	\$ 17,258,214

See accompanying notes to financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

Statement of Changes in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Annual surplus	\$ 566,970	\$ 864,837
Net remeasurement gains for the year	81,990	150,177
	648,960	1,015,014
Amortization of tangible capital assets	459,639	378,665
Acquisition of tangible capital assets	(767,855)	(1,690,380)
Decrease in prepaid expenses	(17,724)	10,931
Change in net financial assets	323,020	(285,770)
Net financial assets, beginning of year	2,805,637	3,091,407
Net financial assets, end of year	\$ 3,128,657	\$ 2,805,637

See accompanying notes to financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

Statement of Remeasurement Gains

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Accumulated remeasurement gains, beginning of year	\$ 339,039	\$ 188,862
Unrealized gains attributable to:		
Fixed income	14,682	16,026
Equity instruments	84,823	148,803
	99,505	164,829
Realized losses attributable to:		
Equity instruments	(17,515)	(14,652)
	(17,515)	(14,652)
Net remeasurement gains for the year	81,990	150,177
Accumulated remeasurement gains, end of year	\$ 421,029	\$ 339,039

See accompanying notes to financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

Statement of Cash Flows

Year ended December 31, 2025 with comparative information for 2024

	2025	2024
Cash flows from operating activities:		
Annual surplus	\$ 566,970	\$ 864,837
Item not involving cash:		
Amortization of tangible capital assets	459,639	378,665
	1,026,609	1,243,502
Changes in non-cash working capital:		
Decrease in accounts receivable	110,768	260,489
(Increase) decrease in prepaid expenses	(17,724)	10,931
(Decrease) increase in accounts payable and accrued liabilities	(114,715)	316,827
Increase in deferred contributions	15,775	10,699
Increase (decrease) in Nickel District Conservation Foundation	92,380	(73,888)
	1,113,093	1,768,560
Investing activities:		
Net change in investments	(55,962)	(488,449)
Capital activities:		
Acquisition of tangible capital assets	(767,855)	(1,690,380)
Increase (decrease) in cash	289,276	(410,269)
Cash, beginning of year	620,379	1,030,648
Cash, end of year	\$ 909,655	\$ 620,379

See accompanying notes to financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements

Year ended December 31, 2025

Nickel District Conservation Authority (the "Authority") is a land and water management agency established under the provisions of the Conservation Authorities Act of Ontario. The Authority is a registered charitable organization and is exempt from income taxes under the Canadian Income Tax Act.

1. Significant accounting policies:

These financial statements are prepared in accordance with Canadian public sector accounting standards. The Authority's significant accounting policies are as follows:

(a) Fund accounting:

The Authority prepares the financial statements using the principals of fund accounting as follows:

Unrestricted:

Levy stabilization:

This reserve accounts for the Authority's program delivery and administrative activities. It consists of the difference between budgeted municipal levies and the municipalities' share of actual net expenses. The amount is available to reduce future municipal levies by the Authority.

Restricted internally:

i) Reserve for water control preventative maintenance:

This reserve was set up to fund maintenance costs for dam and erosion control structures, and water management engineering.

ii) Reserve for Lake Laurentian development:

This reserve was set up to fund development at Lake Laurentian.

iii) Reserve for flood forecasting system:

This reserve was set up to fund the upgrade and maintenance of the flood forecasting system.

iv) Reserve for strategic implementation:

This reserve was set up to fund initiatives identified in Authority's strategic plan.

v) Reserve for tree planting:

This reserve was set up to fund commitments for the tree planting program.

vi) Reserve for special capital infrastructure:

This reserve was set up to provide funding to perform infrastructure maintenance on existing flood and erosion control structures. The funding is mainly locally generated, but can include, from year to year, provincial funds if Water and Erosion Control Infrastructure (WECI) projects are approved.

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(b) Revenue recognition:

Restricted contributions related to operations are recognized as revenue of the reserve for levy stabilization in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the reserve for levy stabilization in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

Investment income earned on restricted reserves resources that will be spent on those activities is recognized as revenue of the restricted reserves. Unrestricted investment income earned on resources is recognized as revenue of the reserve for levy stabilization. Investment income is recorded on an accrual basis and includes interest income, dividends and the realized gain (loss) on investments.

User fees from planning applications, solicitor inquiries and program fees are recognized as revenue when the services are rendered.

Gross revenue percentage rent due under the lease of the Maley Reservoir is recognized within the water control preventative maintenance reserve, Lake Laurentian development reserve, Flood forecasting system reserve, accumulated sick leave reserve and reserve for levy stabilization. All other rents received are recognized in the reserve for levy stabilization.

Donations are recognized upon receipt as revenue in the reserve for levy stabilization.

The Maley drive property rental is calculated as a percentage of sales in accordance with the terms of the agreement. All other property rental revenue is recognized as it is received at the beginning of the annual term.

When revenue from special programs is received in advance of the related expense, such revenue is deferred until the year in which the expense occurred.

(c) Deferred contributions:

Funding received under funding arrangements which relate to a subsequent fiscal year are recorded as deferred contributions and are recognized as revenue in the year to which they relate. Unexpended portions of grants received for specific purposes are reflected as deferred contributions and are recognized as revenue in the year they are expended.

(d) Government transfers:

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made. If government transfers contain stipulations, which give rise to a liability, they are deferred and recognized in revenue when the stipulations are met.

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(e) Financial instruments:

Financial instruments are classified into three categories: fair value, amortized cost or cost. The following chart shows the measurement method for each type of financial instrument:

Financial instrument	Measurement method
Cash	Cost
Investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Amortized cost

Amounts are measured using the effective interest rate method. The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, based on the effective interest rate. It is applied to financial assets or financial liabilities that are not in the fair value category and is now the method that must be used to calculate amortized cost.

Cost

Amounts are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

Fair value

The Authority manages and reports performance for groups of financial assets on a fair-value basis. Investments traded in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains until such time that the financial asset is derecognized due to disposal or impairment.

At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains.

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(e) Financial instruments (continued):

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are comprised of property, buildings, equipment, vehicles and infrastructure and are recognized in the period they are acquired. Tangible capital assets are recorded at cost which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. Amortization is provided on a straight-line basis, over the estimated useful life for all assets except land which is not amortized.

The estimated useful lives of tangible capital assets are estimated as follows:

Asset	Useful Life
Land	Infinite
Buildings	20 years
Equipment	10 - 20 years
Computers	5 years
Leasehold improvements	5 years (initial term of the lease)
Infrastructure	10 - 75 years
Vehicles	5 years

Assets under construction are not amortized until they are put into productive use.

(g) Prepaid expenses:

Prepaid expenses represent amounts paid in advance for a good or service not yet received. The expense is recognized once the goods have been received or the services have been performed.

(h) Other revenues:

Other revenues from transactions with performance obligations, for example, fees or royalties from the sale of goods or rendering of services, are recognized as the Authority satisfies a performance obligation by providing the promised goods or services to the payor. Other revenue from transactions with no performance obligations, for example, fines and penalties, are recognized when the Authority has the authority to claim or retain an inflow of economic resources and when a past transaction or event is an asset. Amounts received prior to the end of the year that will be recognized in subsequent fiscal year are deferred and reported as a liability.

(i) Investment income:

Investment income is reported as revenue in the period earned.

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(j) Budget figures:

Budget figures have been provided for comparison purposes and have been derived from the budget approved by the Board of Directors.

The budget figures presented have been adjusted to reflect the same accounting policies that were used to prepare the financial statements. The budget figures are unaudited.

The Board approves its budget annually. The approved operating budget for December 31, 2025 year end is reflected on the Statement of Operations and Accumulated Surplus, the budget was approved on October 10, 2024

(k) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards 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 financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of tangible capital assets and deferred contributions. Actual results could differ from those estimates.

2. Investments:

	2025		2024	
	Cost	Market	Cost	Market
Equities	\$ 694,953	\$ 1,048,839	\$ 692,687	\$ 979,263
Fixed income	1,006,384	974,437	952,689	906,061
	\$ 1,701,337	\$ 2,023,276	\$ 1,645,376	\$ 1,885,324

3. Related party transactions:

	2025	2024
Municipal levy from the City of Greater Sudbury	\$ 1,372,632	\$ 1,270,178
Permit Fees from the City of Greater Sudbury	108,111	79,124
Municipal taxes paid to the City of Greater Sudbury	67,106	64,834
Operating Expenses paid to the City of Greater Sudbury	73,048	111,088
Receivable from the City of Greater Sudbury	—	375,100
Expenses incurred on behalf of Foundation operations	574	5,745

These transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

4. Deferred contributions:

The deferred contributions consist of:

	Balance, beginning of year	Contributions received / transfers in	Expenses incurred / transfers out	Balance, end of year
Source Water Protection	\$ 47,249	\$ 151,347	\$ 135,572	\$ 63,024
	\$ 47,249	\$ 151,347	\$ 135,572	\$ 63,024

5. Pension plan:

The Authority contributes to a defined contribution pension plan for certain of its full-time employees. Employer contributions made to the plan during the year amounts to \$48,871 (2024 - \$44,214).

6. Accumulated surplus:

(a) Restricted:

	2025	2024
Restricted externally:		
Special capital infrastructure	\$ 999,564	\$ 852,597
Restricted internally:		
Water control preventative maintenance	702,676	654,215
Lake Laurentian Development	510,281	429,015
Flood forecasting system	317,729	272,655
Strategic Implementation	80,243	80,243
Tree Planting	87,620	87,620
	1,698,549	1,523,748
	\$ 2,698,113	\$ 2,376,345

(a) Unrestricted:

Levy stabilization	\$ 42,206	\$ 105,219
Tangible capital assets	15,084,865	14,776,650
	\$ 15,127,071	\$ 14,881,869
Total accumulated surplus	\$ 17,825,184	\$ 17,258,214

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Tangible capital assets:

Cost	Balance at December 31, 2024	Additions and Transfers	Disposals and Write-offs	Balance at December 31, 2025
Land	\$ 5,904,542	\$ -	\$ -	\$ 5,904,542
Buildings	670,065	63,205	-	733,270
Infrastructure	21,835,998	634,375	-	22,470,373
Equipment	827,131	35,873	-	863,004
Leasehold improvements	149,044	-	-	149,044
Computers	102,561	7,315	-	109,876
Vehicles	24,999	27,087	-	52,086
Total	\$ 29,514,340	\$ 767,855	\$ -	\$ 30,282,195

Accumulated amortization	Balance at December 31, 2024	Disposals and write-offs	Amortization expense	Balance at December 31, 2025
Land	\$ -	\$ -	\$ -	\$ -
Buildings	417,627	-	19,026	436,653
Infrastructure	13,454,619	-	387,893	13,842,512
Equipment	594,867	-	48,688	643,555
Leasehold improvements	149,044	-	-	149,044
Computers	96,534	-	2,678	99,212
Vehicles	24,999	-	1,354	26,353
Total	\$ 14,737,690	\$ -	\$ 459,639	\$ 15,197,329

	Net book value, December 31, 2024	Net book value, December 31, 2025
Land	\$ 5,904,542	\$ 5,904,542
Buildings	252,438	296,617
Infrastructure	8,381,379	8,627,861
Equipment	232,264	219,449
Leasehold improvements	-	-
Computers	6,027	10,664
Vehicles	-	25,733
Total	\$ 14,776,650	\$ 15,084,866

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

8. Commitments and contingencies:

(a) Lines of credit:

As at December 31, 2025, the Nickel District Conservation Authority has available an operating line of credit of \$200,000 (2024 - \$200,000). There is no balance outstanding on the line of credit as of the year end date.

(b) Contingent liabilities:

The Authority is involved from time to time in litigation, which arises in the normal course of business. In respect of any claims, the Authority believes that insurance coverage is adequate, and that no material exposure exists on the eventual settlement of such litigation, therefore no provision has been made in the accompanying financial statements.

(c) Lease commitment:

The Authority's premises are leased by way of an agreement requiring it to make monthly rent payments which expired December 31, 2025. The monthly rental payments up to the period ended December 31, 2025 was \$2,477 (including HST), which excludes operating expenses and property taxes.

9. Expenses by object:

	2025	2024
Salaries and benefits	\$ 1,343,937	\$ 1,326,833
Operations	471,808	357,845
Amortization of tangible capital assets	459,639	378,665
Professional Services	101,713	71,946
Utilities	29,056	22,609
Outreach and Communications	4,771	8,721
Vehicles	15,979	12,453
	\$ 2,426,903	\$ 2,179,072

NICKEL DISTRICT CONSERVATION AUTHORITY

Notes to Financial Statements (continued)

Year ended December 31, 2025

10. Budget information:

The budget adopted by the Board on October 10, 2024 was not prepared on a basis consistent with that used to report actual results according to Public Sector Accounting Standards. As a result, the budget figures presented in the statement of operations and accumulated surplus and change in net financial assets represent the budget adopted by the Board with adjustment as follows:

Annual surplus per budget approved by the Board	\$	—
Less:		
Contributions from reserves		—
Amortization		(459,639)
Add:		
Contributions to reserves		15,584
Capital additions		375,000
Deficit per financial statements	\$	(69,055)

11. Financial instruments:

Transaction in financial instruments may result in an entity assuming or transferring financial risks to or from another party. The Authority is exposed to the following risks associated with financial instruments and transactions it is a party to:

(a) Credit risk:

Credit risk is the risk that one party to a financial transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to this risk relating to its cash and accounts receivable.

The Authority holds its cash accounts with large reputable financial institutions, from which management believes the risk of loss due to credit risk to be remote. Receivables consist of balances due from government agencies and the risk of loss is minimal.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Authority cannot repay its obligations when they become due to its creditors. The Authority is exposed to this risk relating to its accounts payable and accrued liabilities.

The Authority reduces its exposure to liquidity risk by monitoring cash activities and expected outflow through extensive budgeting and maintaining enough cash to repay trade creditors as payables become due.

There have been no significant changes from the previous year in the exposure risk or policies, procedures and methods used to measure the risk.