

**NICKEL DISTRICT  
CONSERVATION  
AUTHORITY**

**FINANCIAL STATEMENTS**

For The Year Ended December 31, 2003

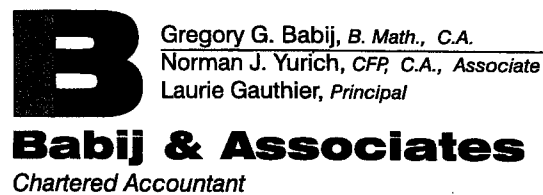
**INDEX**

**PAGE**

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Auditor's Report	1
Balance Sheet	2
Statement of Operations and Surplus	3
Statement of Continuity of Reserves	4
Schedule of Expenditure - Administration	5
Schedule of Expenditure - Program Operations	6
Schedule of Expenditure - Job Creation Programs	7
Schedule of Expenditure - Other Expenditure	8
Notes to the Financial Statements	9





## AUDITOR'S REPORT

To the Members of the Nickel District Conservation Authority

I have audited the balance sheet of the **Nickel District Conservation Authority** as at December 31, 2003 and the statements 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. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the Conservation 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 prescribed for Ontario Conservation Authorities as disclosed in Note 1 to the financial statements.

I have also examined the following schedules of expenditure for the year ended December 31, 2003:

- Administration
- Program Operations
- Job Creation Programs
- Other Expenditure

These schedules are presented for purposes of additional information. In my opinion, these schedules present fairly the information contained therein in all respects material to the financial statements.

Sudbury, Ontario

January 20, 2004

*Babij & Associates*  
Chartered Accountant

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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(Established under the Conservation Authorities Act of Ontario)

## BALANCE SHEET

As at December 31, 2003

	2003	2002
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 365,519	\$ 206,668
Restricted cash	210,496	333,028
Accounts receivable	72,011	44,641
Deferred expenditure	-	1,722
	<b>\$ 648,026</b>	<b>\$ 586,059</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 9,437	\$ 13,309
Deferred revenue (Note 2)	205,470	10,217
	<b>214,907</b>	<b>23,526</b>
<b>NET ASSETS</b>		
<b>RESERVES</b>		
Unrestricted (Page 4)	222,624	229,505
Restricted (Page 4)	210,495	333,028
	<b>433,119</b>	<b>562,533</b>
	<b>\$ 648,026</b>	<b>\$ 586,059</b>

See accompanying notes to the financial statements.

# NICKEL DISTRICT CONSERVATION AUTHORITY

## STATEMENT OF OPERATIONS AND SURPLUS

For the year ended December 31, 2003

	2003		2002
	Budget	Actual	Actual
<b>REVENUE</b>			
Government grants			
Ministry of Natural Resources transfer payments	\$ 176,750	\$ 157,428	\$ 154,250
Provincial - other	-	17,371	10,413
Federal	-	104,702	131,632
Municipal levies	524,500	532,553	474,980
Property rental	24,535	76,763	67,443
Donations	56,500	54,000	51,500
Fees for service - solicitor enquiries	21,890	14,520	22,550
Other	43,755	15	13,250
Planning user fees	19,745	20,216	12,546
Interest	5,000	13,399	4,716
	872,675	990,967	943,280
<b>EXPENDITURE</b>			
Administration	174,550	153,207	136,715
Program operations	644,150	763,370	460,073
Job creation programs	32,150	181,457	202,755
Other expenditure	21,825	22,347	22,290
	872,675	1,120,381	821,833
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE</b>	-	(129,414)	121,447
Appropriation (to) from reserves (Page 4)	-	129,414	(121,447)
<b>SURPLUS AT END OF THE YEAR</b>	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## STATEMENT OF CONTINUITY OF RESERVES

For the year ended December 31, 2003

	Balance at beginning of year	Appropriations (to) from operations	Balance at end of year
<b>UNRESTRICTED</b>			
Levy stabilization	\$ 229,505	\$ (6,881)	\$ 222,624
<b>RESTRICTED</b>			
Water control preventative maintenance	53,792	44,558	98,350
Lake Laurentian development	7,578	268	7,846
Junction Creek restoration	14,763	(4,219)	10,544
Flood forecasting system	47,340	1,741	49,081
Galliard Millenium Project	4,248	-	4,248
Junction Creek water management	205,307	(164,881)	40,426
	333,028	(122,533)	210,495
	\$ 562,533	\$ (129,414)	\$ 433,119

See accompanying notes to the financial statements.

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## SCHEDULE OF EXPENDITURE

### Administration

For the year ended December 31, 2003

	2003		2002
	Budget	Actual	Actual
Wages and benefits	\$ 88,267	\$ 88,619	\$ 71,165
General expenses	51,408	30,550	32,540
Rent and utilities	16,125	17,414	14,902
Travel expenses and allowances	14,550	14,345	15,516
Material and supplies	1,975	1,269	1,506
Equipment purchases and rental	2,225	1,010	1,086
	\$ 174,550	\$ 153,207	\$ 136,715

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See accompanying notes to the financial statements.

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## SCHEDULE OF EXPENDITURE

### Program Operations

For the year ended December 31, 2003

	2003		2002
	Budget	Actual	Actual
<b>PROGRAM OPERATIONS</b>			
Flood control structures	\$ 112,305	\$ 114,799	\$ 105,168
Flood forecasting and warnings	85,520	79,408	89,957
Regulation enforcement	120,350	72,915	70,545
Erosion control structures	28,200	28,000	28,346
Conservation management	10,275	9,762	9,509
	<hr/>	<hr/>	<hr/>
	356,650	304,884	303,525
<b>CAPITAL PROJECTS, SURVEYS AND STUDIES</b>			
Flood control	282,500	458,486	152,816
Conservation area development	5,000	-	3,732
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	287,500	458,486	156,548
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	\$ 644,150	\$ 763,370	\$ 460,073

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See accompanying notes to the financial statements.

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## SCHEDULE OF EXPENDITURE

### Job Creation Programs

For the year ended December 31, 2003

	2003		2002
	Budget	Actual	Actual
EcoAction and Adopt-A-Creek - Federal	\$ -	\$ 67,771	\$ 50,768
Short-term job creation	32,150	45,293	45,568
Youth Internship (Water Quality)	-	42,509	80,864
Ontario Summer Works	-	23,950	23,621
Ontario Summer Experience Program	-	1,934	1,934
	<u>\$ 32,150</u>	<u>\$ 181,457</u>	<u>\$ 202,755</u>

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See accompanying notes to the financial statements.



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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## SCHEDULE OF EXPENDITURE

### Other Expenditure

For the year ended December 31, 2003

	2003		2002
	Budget	Actual	Actual
Lake Laurentian maintenance	\$ 7,750	\$ 9,243	\$ 7,002
Camp Bitobig	7,300	7,246	7,238
Outdoor education equipment	5,000	4,747	4,940
Miscellaneous	1,300	626	2,635
Bank charges and interest	475	485	475
	\$ 21,825	\$ 22,347	\$ 22,290

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See accompanying notes to the financial statements.

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2003

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### 1. SIGNIFICANT ACCOUNTING POLICIES

a) **Accrual basis of accounting**

Sources of revenue and expenditure are reported on the accrual basis of accounting which recognizes revenue as it becomes available and measurable, and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Revenue from provincial grants are recorded on the basis of claims submitted. Should the Ministry of Natural Resources adjust grants that are based on claims submitted, these adjustments would be recorded in the period in which they occur.

b) **Accounting for capital expenditures**

Capital expenditures are charged to operations as incurred.

### 2. DEFERRED REVENUE

The deferred revenue consists of:

	2003	2002
Capital infrastructure maintenance program		
Ministry of Natural Resources	\$ 96,947	\$ -
City of Greater Sudbury	73,197	-
Ground Water Well Testing		
Ministry of the Environment	35,326	-
Job Creation		
Human Resources Development Canada	-	10,217
	<hr/> \$ 205,470	<hr/> \$ 10,217

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2003

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### 3. RESERVES

#### UNRESTRICTED

##### Reserve for levy stabilization

This reserve consists of the difference between budgeted municipal levies and the municipalities' share of actual net expenditures. The reserve is available to reduce future municipal levies by the Authority.

#### RESTRICTED

##### a) 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.

##### b) Reserve for Lake Laurentian development

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

##### c) Reserve for flood forecasting system

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

##### d) Reserve for Galliard Millenium Project

This reserve was set up to fund development on Galliard Island for passive recreation purposes.

##### e) Reserve for Junction Creek restoration

This reserve contains funds provided by Shell Canada, Inco Limited and Canada Trust Friends of the Environment Foundation, for the Junction Creek Stewardship Committee to rehabilitate the ecosystem.

##### f) Reserve for Junction Creek Water Management (Berms)

This reserve was set up to fund development of this multi-phased capital project.

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# NICKEL DISTRICT CONSERVATION AUTHORITY

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## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2003

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### 4. CONTINGENT LIABILITY

Under the revised sick leave benefit plan, unused sick leave has been frozen at the number of days accumulated to December 31, 1989. Employees may become entitled to a cash payment when they leave the Authority'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 terminating, amounted to \$72,282 at the end of the year. No provision has been made for this liability as management anticipates future funding will be available through grants or levies of a future period.

The Authority is the defendant in a lawsuit as at December 31, 2003. The likelihood of a loss is small, however should there be a loss, the maximum amount would be the deductible under the insurance policy of \$20,000. No amount has been accrued in these financial statements.

### 5. LEASE COMMITMENT

The Authority's premises are leased at an annual rental of \$21,616. This agreement expires December 2008.

### 6. COMPARATIVE FIGURES

Certain of the 2002 figures have been restated to conform with the 2003 presentation. These changes have no effect on the 2002 excess of revenue over expenditure.