

**NICKEL DISTRICT
CONSERVATION
AUTHORITY**

FINANCIAL STATEMENTS

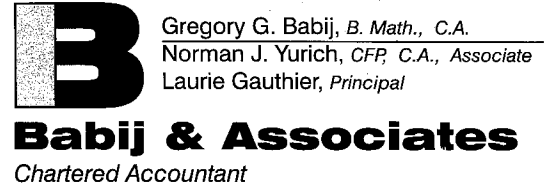
For The Year Ended December 31, 2002

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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, 2002 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, 2002 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, 2002:

- 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 21, 2003

Babij & Associates

Chartered Accountant

NICKEL DISTRICT CONSERVATION AUTHORITY

(Established under the Conservation Authorities Act of Ontario)

BALANCE SHEET

As at December 31, 2002

	2002	2001
ASSETS		
CURRENT		
Cash	\$ 206,668	\$ 163,543
Cash restricted	333,028	237,069
Accounts receivable	44,641	57,569
Deferred expenditure	1,722	-
	<hr/>	<hr/>
	\$ 586,059	\$ 458,181
LIABILITIES		
CURRENT		
Accounts payable	\$ 23,526	\$ 10,535
Accrued liability	-	6,560
	<hr/>	<hr/>
	23,526	17,095
NET ASSETS		
RESERVES		
Unrestricted (Page 4)	229,505	204,017
Restricted (Page 4)	333,028	237,069
	<hr/>	<hr/>
	562,533	441,086
	<hr/>	<hr/>
	\$ 586,059	\$ 458,181

See accompanying notes to the financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

STATEMENT OF OPERATIONS AND SURPLUS

For the year ended December 31, 2002

	2002		2001
	Budget	Actual	Actual
REVENUE			
Government grants			
Ministry of Natural Resources transfer payments	\$ 183,367	\$ 154,250	\$ 154,724
Provincial - other	-	10,413	7,414
Federal	-	131,632	12,215
Municipal levies	475,000	474,980	450,000
Property rental	24,535	67,443	15,471
Donations	56,500	51,500	49,500
Fees for service - solicitor enquiries	24,200	22,550	22,210
Other	33,785	13,250	20,863
Planning user fees	20,045	12,546	-
Interest	8,000	4,716	8,405
	825,432	943,280	740,802
EXPENDITURE			
Administration	169,877	136,715	127,568
Program operations	601,080	460,073	406,748
Job creation programs	32,150	202,755	92,761
Other expenditure	22,325	22,290	22,329
	825,432	821,833	649,406
EXCESS OF REVENUE OVER EXPENDITURE	-	121,447	91,396
Appropriation to reserves (Page 4)	-	(121,447)	(91,396)
SURPLUS AT END OF THE YEAR	\$ -	\$ -	\$ -

See accompanying notes to the financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

STATEMENT OF CONTINUITY OF RESERVES

For the year ended December 31, 2002

	Balance at beginning of year	Appropriations (to) from operations	Balance at end of year
UNRESTRICTED			
Levy stabilization	\$ 204,017	\$ 25,488	\$ 229,505
RESTRICTED			
Water control preventative maintenance	53,037	755	53,792
Lake Laurentian development	11,168	(3,590)	7,578
Junction Creek restoration	2,500	12,263	14,763
Flood forecasting system	76,798	(29,458)	47,340
Galliard Millenium Project	5,750	(1,502)	4,248
Junction Creek water management	87,816	117,491	205,307
	237,069	95,959	333,028
	\$ 441,086	\$ 121,447	\$ 562,533

See accompanying notes to the financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

SCHEDULE OF EXPENDITURE

Administration

For the year ended December 31, 2002

	2002		2001
	Budget	Actual	Actual
Wages and benefits	\$ 81,940	\$ 71,165	\$ 77,171
General expenses	48,392	30,483	22,957
Travel expenses and allowances	14,550	15,516	10,713
Rent and utilities	15,700	14,902	14,478
Equipment purchases and rental	7,100	3,143	1,369
Material and supplies	2,195	1,506	880
	\$ 169,877	\$ 136,715	\$ 127,568

See accompanying notes to the financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

SCHEDULE OF EXPENDITURE

Program Operations

For the year ended December 31, 2002

	2002		2001
	Budget	Actual	Actual
PROGRAM OPERATIONS			
Regulation enforcement	\$ 119,709	\$ 70,545	\$ 66,653
Flood forecasting and warnings	85,520	89,957	77,013
Flood control structures	104,625	105,168	97,453
Erosion control structures	28,200	28,346	28,412
Conservation management	7,026	9,509	26,055
	<hr/> 345,080	<hr/> 303,525	<hr/> 295,586
CAPITAL PROJECTS, SURVEYS AND STUDIES			
Flood control	250,000	152,816	109,783
Conservation area development	6,000	3,732	1,379
	<hr/> 256,000	<hr/> 156,548	<hr/> 111,162
	<hr/> \$ 601,080	<hr/> \$ 460,073	<hr/> \$ 406,748

See accompanying notes to the financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

SCHEDULE OF EXPENDITURE

Job Creation Programs

For the year ended December 31, 2002

		2002		2001
	Budget	Actual		Actual
Youth Internship (Water Quality)	\$ -	\$ 80,864	\$ -	-
EcoAction - Federal	-	50,768		25,198
Short-term job creation	32,150	45,568		41,134
Ontario Summer Works	-	23,621		23,614
Ontario Summer Experience Program	-	1,934		1,981
Job Creation Partnership	-	-		834
	\$ 32,150	\$ 202,755	\$	92,761

See accompanying notes to the financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

SCHEDULE OF EXPENDITURE

Other Expenditure

For the year ended December 31, 2002

	2002		2001
	Budget	Actual	Actual
Camp Bitobig	\$ 7,300	\$ 7,238	\$ 7,302
Lake Laurentian maintenance	6,750	7,002	6,583
Miscellaneous	2,800	2,635	2,358
Outdoor education equipment	5,000	4,940	5,617
Bank charges and interest	475	475	469
	\$ 22,325	\$ 22,290	\$ 22,329

See accompanying notes to the financial statements.

NICKEL DISTRICT CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2002

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. 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.

NICKEL DISTRICT CONSERVATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2002

2. RESERVES (continued)

RESTRICTED

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.

3. 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 \$69,967 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, 2002. 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.

4. COMPARATIVE FIGURES

Certain of the 2001 figures have been restated to conform with the 2002 presentation. These changes have no effect on the 2001 excess of revenue over expenditure.