

Grey Sauble Conservation Authority
Financial Statements
For the year ended December 31, 2008

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Financial Statements
For the year ended December 31, 2008

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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, 2008 and the statements of operations and surplus and continuity of reserve funds 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, 2008 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario
January 21, 2009

Grey Sauble Conservation Authority Statement of Financial Position

December 31

2008

2007

Assets

Current

Cash - operating fund	\$ 195,225	\$ 411,215
Cash - reserve funds	1,121,864	990,189
Accounts receivable	54,636	30,139
	<u>\$ 1,371,725</u>	<u>\$ 1,431,543</u>

Liabilities and Surplus

Current

Accounts payable and accrued liabilities	\$ 128,455	\$ 66,133
Deferred revenue (Note 4)	3,251	49,310
	<u>131,706</u>	<u>115,443</u>

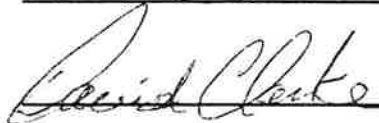
Surplus

Reserve for working capital	60,000	60,000
Reserve Funds (Page 4)	943,264	1,105,802
Surplus (Page 5)	236,755	150,298
	<u>1,240,019</u>	<u>1,316,100</u>
	<u>\$ 1,371,725</u>	<u>\$ 1,431,543</u>

On behalf of the Board:



Director



Director

Grey Sauble Conservation Authority Statement of Continuity of Reserve Funds

For the year ended December 31, 2008	Special (Note 5)	Computer Replacement	Major Dam Maintenance	Vehicle Replacement
Balance , beginning of year	\$ 85,844	\$ 5,511	\$ 89,549	\$ 107,456
Correction of error (Note 9)	-	-	-	-
Balance , beginning of year, as restated	85,844	5,511	89,549	107,456
Appropriations from operations	2,004	6,000	4,053	35,817
Interest earned	1,832	243	2,252	3,265
	89,680	11,754	95,854	146,538
Appropriations to operations	12,949	1,838	75,552	28,164
Balance , end of year	\$ 76,731	\$ 9,916	\$ 20,302	\$ 118,374

For the year ended December 31, 2008	Administration Centre	Forest Management	Total 2008	Total 2007
Balance , beginning of year	\$ 104,482	\$ 712,960	\$ 1,105,802	\$ 949,812
Correction of error (Note 9)	-	-	-	75,237
Balance , beginning of year, as restated	104,482	712,960	1,105,802	1,025,049
Appropriations from operations	24,013	202,631	274,518	542,552
Interest earned	2,831	19,036	29,459	40,326
	131,326	934,627	1,409,779	1,607,927
Appropriations to operations	-	348,012	466,515	502,125
Balance , end of year	\$ 131,326	\$ 586,615	\$ 943,264	\$ 1,105,802

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, 2008	Budget	2008	2007
Revenue			
Government grants (Page 11)	\$ 202,367	\$ 167,219	\$ 142,629
Municipal levies	873,682	874,106	850,365
Special levies	4,500	5,000	-
GBFS / Trees ON (Page 11)	141,000	464,445	234,757
User fees (Page 11)	236,400	270,439	243,762
Timber and wood sales	275,000	160,824	298,196
Interest earned	18,000	15,015	23,491
Donations	3,000	4,669	25,376
Donated Land	-	131,500	-
Grey County Forestry Management	86,500	93,463	98,416
Net rental recoveries (Page 12)	46,000	41,464	46,757
The Great Outdoors Daycamp	8,000	13,468	11,092
Sourcewater Protection	30,000	28,607	43,061
Miscellaneous	21,800	28,040	46,231
	1,946,249	2,298,259	2,064,133
Expenditures			
Water management (Page 13)	194,042	184,541	180,599
Environmental planning (Page 14)	280,615	287,905	246,766
Forestry			
-Operations on Authority land (Page 15)	219,900	217,146	213,910
-GBFS / Trees ON (Page 15)	141,000	417,697	222,952
-Grey County Forest Management (Page 15)	86,500	82,778	87,100
Recreation use areas (Page 16)	394,536	386,988	376,141
Cons. information and education (Page 16)	134,919	121,162	140,834
Administrative support (Page 16)	212,135	204,702	193,440
Capital and other projects (Page 18)	364,100	331,278	320,161
Miscellaneous	10,400	9,494	11,426
Property donation	-	131,500	-
Sourcewater protection (Page 17)	30,000	28,608	31,612
	2,068,147	2,403,799	2,024,941
Excess of revenue over expenditures (expenditures over revenue) for the year	(121,898)	(105,540)	39,192
Appropriations			
From reserve funds	550,986	466,515	502,125
To reserve funds	(429,088)	(274,518)	(542,552)
	121,898	191,997	(40,427)
Net surplus (deficit) for the year	-	86,457	(1,235)
Surplus, beginning of year	150,298	150,298	151,533
Surplus, end of year	\$ 150,298	\$ 236,755	\$ 150,298

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

Grey Sauble Conservation Authority

Notes to Financial Statements

December 31, 2008

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 financial statements have been prepared by the management of the Authority in accordance with Canadian generally accepted accounting principles for organizations operating in the local government sector as recommended by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. 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.

Post-Employment Benefits

Defined contribution plan accounting is applied to the Authority's multi-employer defined benefit pension plan.

Revenue Recognition

Government grants related to operations are recognized as revenue in the year in which the related expenses are incurred.

General and special municipal levies are recognized as revenue when the amounts are levied on the municipality.

Authority generated revenue is recognized when the price is fixed or determinable, collectability is reasonably assured and services are provided to customers.

Grey Sauble Conservation Authority

Notes to Financial Statements

December 31, 2008

2. Summary of Significant Accounting Policies (continued)

Reserve Funds

Appropriations are made from operations to reserve funds 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.

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 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. Employees and employers contribute jointly to the plan.

The amount contributed to OMERS for 2008 was \$58,161 (2007 - \$54,047) for current service and is included in the expenditure on the statement of operations.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Authority does not recognize any share of the OMERS pension surplus or deficit. The plan has reported a \$82 million actuarial surplus at the end of 2007 (2006 - \$2.4 billion deficit), based on actuarial liabilities of \$46.8 billion (2006 - \$44.2 billion).

Grey Sauble Conservation Authority Notes to Financial Statements

December 31, 2008

4. Deferred Revenue

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

	2008	2007
Arboretum Alliance	\$ -	\$ 1,315
Bio-Mapping	2,488	2,488
GSCA Foundation donations	-	10,485
Restricted donation	763	763
Tree planting	-	800
	3,251	15,851
MNR - Pool of funds	-	33,459
	\$ 3,251	\$ 49,310

5. Special Reserve Funds

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

	2008	2007
2008 IPM	\$ -	\$ 10,144
Arboretum Alliance	-	2,572
Fill Regulations Mapping	45,724	44,409
Privy/Capital Development	31,008	28,719
	\$ 76,732	\$ 85,844

6. Revolving Credit Facility

The Authority has available a revolving credit facility with a maximum limit of \$200,000. The facility bears interest at bank prime plus 0.50% and is due on demand. At year end the entire amount had not been used.

7. Budget Figures

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

Grey Sauble Conservation Authority Notes to Financial Statements

December 31, 2008

8. 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.

9. Correction of Error

In the prior year there was adjustment to correct an overstatement of grant revenues and an overstatement of capital expenditures, each for \$110,081 (resulting in a net change of \$Nil) that occurred in fiscal year 2006. Corresponding changes were made to decrease deferred revenue and increase reserve funds in the amount of \$75,237 each.

10. Tangible Capital Assets

For fiscal years beginning on or after January 1, 2009 the Authority will be required to report the historical cost and the accumulated amortization of tangible capital assets in its financial statements in accordance with The Public Sector Accounting Handbook PS3150 - Tangible Capital Assets. As required the Authority will fully implement this standard beginning with the December 31, 2009 fiscal year.

For December 31, 2008, Public Sector Guideline 7 requires the disclosure of tangible capital asset information in the notes to the financial statements to the extent that reliable information is available.

Tangible capital assets will be recorded at historical cost. Historical cost includes the costs directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets. Cost includes overheads directly attributable to construction and development.

Amortization will be reflected on a declining balance basis over the estimated useful life of the assets at the following amortization rates:

Buildings, dams and weirs, stream rain gauges, groundwater wells, trails, boardwalks, bridges, roadways and landings and fences	5%
Equipment	15%
Vehicles	30%
Information technology infrastructure	30%



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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, 2008 and our report thereon dated January 21, 2009 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.

Chartered Accountants, Licensed Public Accountants

Owen Sound, Ontario
January 21, 2009

Grey Sauble Conservation Authority
Schedule of Revenue
(Unaudited)

For the year ended December 31	Budget	2008	2007
Government Grants			
Provincial - Program Operating			
Flood control and warning	\$ 71,779	\$ 71,779	\$ 71,779
Special capital - current funding	62,500	37,814	64,562
Capital projects - deferred funding	64,088	47,261	-
	198,367	156,854	136,341
Provincial - Other			
Summer student program	4,000	10,365	6,288
	\$ 202,367	\$ 167,219	\$ 142,629
GBFS / Trees ON			
Trees and landscape stock	\$ 100,000	\$ 123,576	\$ 93,641
Planning	-	22,911	12,161
Planting	-	17,638	47,720
Site inspections	-	400	-
Tree marking	-	-	361
Vegetation control	-	12,461	23,876
Other	-	10	948
Trees Ontario Foundation grants	41,000	287,449	56,050
	\$ 141,000	\$ 464,445	\$ 234,757
User Fees, Service Fees and Other Revenue Sources			
Parking fees	\$ 32,000	\$ 30,153	\$ 30,964
Planning fees	170,000	200,011	174,500
Rentals	34,400	40,275	38,298
	\$ 236,400	\$ 270,439	\$ 243,762

Grey Sauble Conservation Authority
Schedule of Rental Recoveries and Expenditures
(Unaudited)

For the year ended December 31	Budget	2008	2007
Recoveries			
Vehicle			
Flood control and warning	\$ 3,462	\$ 3,237	
Operating conservation property	24,610	23,769	
Forest management	11,109	13,379	
GBFS / Trees ON	11,325	7,257	
Erosion control	-	60	
Land use planning and regulation	18,081	16,297	
Conservation information and education	3,182	1,937	
Administrative support	1,000	819	
Special programs	11,950	16,250	
Equipment			
Flood control and warning	-	270	
Operating conservation property	4,727	3,723	
Forest management	352	460	
Grey Bruce forestry services	-	1,010	
Water quality	28	-	
Special programs	268	831	
Computer	6,000	6,000	
	96,094	95,299	
Expenditures			
Vehicle			
Fuel	28,991	25,295	
Repairs	9,324	11,514	
Licenses and insurance	8,753	7,613	
Equipment			
Fuel	1,321	1,577	
Repairs	5,990	2,543	
Licenses and insurance	251	-	
	54,630	48,542	
Excess of recoveries over expenditures	\$ 46,000	\$ 41,464	\$ 46,757

See Auditor's Commentary of Supplementary Financial Information.

Grey Sauble Conservation Authority
Schedule of Water Management Expenditures
(Unaudited)

For the year ended December 31	Budget	2008	2007
Flood Forecast and Warning			
Salaries and benefits	\$ 109,936	\$ 109,094	\$ 105,718
Service contracts	1,030	1,000	1,000
Vehicle and equipment rentals	3,502	2,810	2,529
Materials and supplies	4,900	4,211	3,701
Services, rents and utilities	23,690	23,641	22,929
	143,058	140,756	135,877
Flood Control Structures			
Clendenan dam	9,000	7,326	9,000
Taylor Street retention pond	1,500	-	445
	10,500	7,326	9,445
Dams			
Salaries and benefits	11,500	11,991	9,442
Vehicle and equipment rentals	1,545	1,579	970
Materials and supplies	515	518	346
Services, rents and utilities	1,442	1,460	1,308
Dam maintenance	5,000	5,039	2,528
	20,002	20,587	14,594
Ice Management			
Various	9,000	5,000	10,000
Erosion Control			
Salaries and benefits	9,422	9,047	8,947
Vehicle and equipment rentals	206	-	60
Materials and supplies	515	365	335
Services, rents and utilities	1,339	1,460	1,341
	11,482	10,872	10,683
	\$ 194,042	\$ 184,541	\$ 180,599

See Auditor's Commentary of Supplementary Financial Information.

Grey Sauble Conservation Authority
Schedule of Environmental Planning Expenditures
(Unaudited)

For the year ended December 31	Budget	2008	2007
Bio-Mapping			
Salaries and benefits	\$ 3,000	\$ 1,494	\$ 2,244
Vehicle and equipment rentals	400	102	257
Services, rents and utilities	200	-	500
	<u>3,600</u>	<u>1,596</u>	<u>3,001</u>
Groundwater Monitoring			
Salaries and benefits	2,800	1,711	2,029
Vehicle and equipment rentals	700	932	1,123
Materials and supplies	500	32	1,885
Services, rents and utilities	1,100	897	1,283
	<u>5,100</u>	<u>3,572</u>	<u>6,320</u>
Watershed Management			
Salaries and benefits	33,822	29,758	30,569
Vehicle and equipment rentals	5,768	4,275	3,851
Materials and supplies	-	-	(319)
Services, rents and utilities	773	773	1,478
Sydenham River rehabilitation	-	-	12,264
	<u>40,363</u>	<u>34,806</u>	<u>47,843</u>
Land Use Planning and Regulation			
Salaries and benefits	200,557	206,447	151,445
Service contracts	2,060	11,509	12,682
Vehicle and equipment rentals	14,000	13,522	9,993
Materials and supplies	3,090	4,358	3,960
Services, rents and utilities	11,845	12,095	11,522
	<u>231,552</u>	<u>247,931</u>	<u>189,602</u>
	<u>\$ 280,615</u>	<u>\$ 287,905</u>	<u>\$ 246,766</u>

**Grey Sauble Conservation Authority
Schedule of Forestry Expenditures
(Unaudited)**

For the year ended December 31	Budget	2008	2007
Operations on Authority Land			
Salaries and benefits	\$ 128,500	\$ 128,500	\$ 124,775
Vehicle and equipment rentals	13,900	10,894	14,172
Materials and supplies	24,500	19,400	23,388
Services, rents and utilities	53,000	58,352	51,575
	\$ 219,900	\$ 217,146	\$ 213,910

GBFS / Trees ON

Purchases	\$ 100,000	\$ 41,612	\$ 122,238
Planning	-	3,285	19,024
Planting	-	32,545	52,180
Site inspections	-	716	452
Vegetation control	-	45,816	12,304
Trees Ontario Foundation expenses	41,000	268,017	-
Other	-	25,706	16,754
	\$ 141,000	\$ 417,697	\$ 222,952

Grey County Forest Management

Wages	\$ 86,500	\$ 68,447	\$ 69,078
Vehicle/equipment	-	12,367	16,639
Supplies	-	1,964	1,383
	\$ 86,500	\$ 82,778	\$ 87,100

Grey Sauble Conservation Authority
Schedule of Conservation and Administrative Expenditures
(Unaudited)

For the year ended December 31	Budget	2008	2007
Recreation Use Areas			
Salaries and benefits	\$ 236,336	\$ 217,353	\$ 220,629
Service contracts	22,500	19,692	18,018
Vehicle and equipment rentals	28,600	25,611	26,750
Materials and supplies	14,500	20,254	17,412
Services, rents and utilities	41,200	47,184	40,113
Picnic table replacement	2,800	1,492	548
Gate House	8,600	10,585	10,980
Property taxes	40,000	41,260	36,535
Arboretum Alliance	-	3,557	5,156
	\$ 394,536	\$ 386,988	\$ 376,141
Conservation Information and Education			
Salaries and benefits	\$ 91,719	\$ 61,075	\$ 70,890
Foundation salaries and benefits	-	15,000	15,000
Vehicle and equipment rentals	3,000	3,275	2,039
Materials and supplies	4,000	4,014	5,011
Services, rents and utilities	7,400	8,703	11,458
Advertising contracts	20,800	18,520	17,749
The Great Outdoors Daycamp	8,000	10,575	8,347
50th Anniversary	-	-	10,340
	\$ 134,919	\$ 121,162	\$ 140,834
Administrative Support			
Salaries and benefits	\$ 158,185	\$ 155,576	\$ 149,828
Board members' allowances	4,000	3,521	4,435
Vehicle and equipment rentals	3,100	3,414	2,628
Materials and supplies	7,700	5,268	7,012
Services, rents and utilities	35,000	36,027	29,207
Minor infrastructure	650	346	330
Biennial Tour	3,500	550	-
	\$ 212,135	\$ 204,702	\$ 193,440

Grey Sauble Conservation Authority
Schedule of Sourcewater Protection Expenditures
(Unaudited)

For the year ended December 31	Budget	2008	2007
Sourcewater Protection			
Salaries and benefits	\$ -	\$ 8,856	\$ 8,094
Vehicle and equipment rentals	-	118	381
Materials and supplies	-	534	4,761
Services, rents and utilities	30,000	19,100	18,376
	\$ 30,000	\$ 28,608	\$ 31,612

Grey Sauble Conservation Authority
Schedule of Capital and Other Project Expenditures
(Unaudited)

For the year ended December 31	Budget	2008	2007
Administration centre barrier free entrances	\$ 10,000	\$ -	\$ -
Vehicle purchase	30,000	28,165	43,758
Tara dam donation project	-	-	1,081
Spirit Rock stairway upgrades	-	-	2,775
Administration centre -entrance signs	-	-	24,581
-replace carpet	-	-	20,538
Clendenan fishway	10,000	18,994	2,000
Clendenan embankment/spillway	-	-	18,773
Computer equipment	5,000	1,838	8,855
Hibou boardwalk replacement	2,000	1,721	1,410
Minor infrastructure - signs	35,000	39,975	52,870
2008 plowing match	10,000	8,300	-
New stream gauges	-	-	1,291
Watershed aerial photography	-	-	367
Owen Sound Mill Dam - Hydraulics	5,000	7,132	-
- Repairs	85,000	99,754	-
Owen Sound mill dam safety study	15,000	17,982	26,844
Skylight replacement	-	-	32,211
Rankin dam safety study	-	-	21,647
Black's Park expenses	-	-	924
Forestry - spraying and reforestation	13,000	16,543	13,520
Rankin Dam Erosion Work	10,000	2,300	-
Pottawatomi barn removal	-	-	4,500
Pottawatomi bridge removal	1,000	920	-
Forestry Tech and Students	37,600	14,369	-
Office/arboretum improvements	-	-	13,204
Trees for tomorrow	5,000	2,125	3,404
Shade structure for seedlings	-	-	2,344
Inglis Falls house removal	6,000	7,091	-
Inglis Falls land acquisition	-	-	11,178
Inglis Falls bridge upgrade	80,000	58,069	12,086
Inglis Falls barn upgrade	4,500	6,000	-
	\$ 364,100	\$ 331,278	\$ 320,161