

***PETITCODIAC RIVERKEEPER, INC. /
SENTINELLES DE LA RIVIÈRE
PETITCODIAC, INC.***

ANNUAL FINANCIAL REPORT

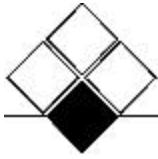
Year ended December 31, 2002

**PETITCODIAC RIVERKEEPER, INC. /
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

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LEBLANC NADEAU BUJOLD

comptables agréés ♦ chartered accountants

AUDITORS' REPORT

To the Directors of
Petitcodiac Riverkeeper, Inc. / Sentinelles de la rivière Petitcodiac, Inc.

We have audited the balance sheet of PETITCODIAC RIVERKEEPER, INC. / SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC. as at December 31, 2002 and the statements of revenue and expenditures, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, 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.

Some of the organization's donation, membership and auction revenues, by their nature, are not susceptible of complete audit by Canadian generally accepted auditing procedures. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2002 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Dieppe, New Brunswick
January 17, 2003

**PETITCODIAC RIVERKEEPER, INC. /
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

REVENUE AND EXPENDITURES

Year ended December 31,

2002

2001

	General Fund	Restricted, Special Projects	Capital Asset Fund	Total	Total
REVENUE					
Donation and membership	\$ 16,582	\$ -	\$ -	\$ 16,582	\$ 29,666
Environmental Foundations	32,006	-	-	32,006	43,350
Interest revenue	23	-	-	23	218
Government assistance -					
Federal	2,546	42,988	-	45,534	16,725
Government assistance -					
Provincial	2,955	13,121	-	16,076	30,287
Government assistance -					
Municipal	1,400	-	-	1,400	-
Special events and sales	10,237	-	-	10,237	5,855
Local and regional groups	644	11,592	-	12,236	-
Other revenues	5,470	-	-	5,470	2,821
	71,863	67,701	-	139,564	128,922
EXPENDITURES					
Salaries and fringe benefits	36,729	42,149	-	78,878	65,311
Auctions	3,415	-	-	3,415	4,076
Education general	4,156	3,853	-	8,009	17,201
General administration	1,363	231	-	1,594	1,390
Insurance and security	647	-	-	647	756
Interest and bank charges	607	-	-	607	187
Legal defence activities	496	364	-	860	2,695
Membership development	4,455	-	-	4,455	4,961
Merchandise	-	-	-	-	690
Accounting	2,778	480	-	3,258	2,577
Public conference	861	2,153	-	3,014	405
Rent	3,062	3,315	-	6,377	6,869
Repairs and maintenance	-	-	-	-	210
Stationery and office					
supplies	2,520	218	-	2,738	4,392
Telecommunications	2,545	138	-	2,683	2,029
Travel	2,971	1,181	-	4,152	5,208
Watershed project	-	11,577	-	11,577	840
Web site development	879	-	-	879	3,767
Amortization	-	-	1,278	1,278	722
	67,484	65,659	1,278	134,421	124,286
EXCESS OF REVENUE OVER EXPENDITURES (EXPENDITURES OVER REVENUE)					
	\$ 4,379	\$ 2,042	\$ (1,278)	\$ 5,143	\$ 4,636

**PETITCODIAC RIVERKEEPER, INC. /
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

CHANGES IN FUND BALANCES

Year ended December 31,

2002

2001

	General Fund	Restricted, Special Projects	Capital Asset Fund	Total	Total
BALANCE, BEGINNING OF YEAR	\$ (4,702)	\$ 8,974	\$ 4,505	\$ 8,777	\$ 4,141
Excess of revenue over expenditures (expenditures over revenue)	4,379	2,042	(1,278)	5,143	4,636
	(323)	11,016	3,227	13,920	8,777
Interfund transfers	(376)	-	376	-	-
BALANCE, END OF YEAR	\$ (699)	\$ 11,016	\$ 3,603	\$ 13,920	\$ 8,777

**PETITCODIAC RIVERKEEPER, INC. /
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

BALANCE SHEET

December 31,

2002

2001

ASSETS

CURRENT ASSETS

Cash	\$ 10,635	\$ 22,889
Accounts receivable (note 3)	2,928	4,783
Inventories	3,417	1,000

	16,980	28,672
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	3,603	4,505
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CAPITAL ASSETS (note 4)

	\$ 20,583	\$ 33,177
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LIABILITIES

CURRENT LIABILITIES

Accounts payable (note 6)	\$ 6,663	\$ 24,400
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FUND BALANCES

Capital asset fund	3,603	4,505
Restricted, special projects	11,016	8,974
General fund, unrestricted	(699)	(4,702)

	13,920	8,777
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	\$ 20,583	\$ 33,177
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ON BEHALF OF THE BOARD

....., Director

....., Director

**PETITCODIAC RIVERKEEPER, INC. /
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

CASH FLOWS

Year ended December 31,

2002

2001

OPERATING ACTIVITIES

Excess of revenue over expenditures \$ 5,143 \$ 4,636

Items not affecting cash and cash equivalents :

Amortization 1,278 722

6,421 **5,358**

Net change in non-cash working capital items :

Accounts receivable 1,855 (4,783)

Inventories (2,417) (1,000)

Accounts payable (17,737) 14,759

(11,878) **14,334**

INVESTING ACTIVITIES

Acquisition of capital assets (376) (5,227)

CASH INCREASE (DECREASE) **(12,254)** **9,107**

CASH, BEGINNING OF YEAR **22,889** **13,782**

CASH, END OF YEAR **\$ 10,635 \$ 22,889**

Cash flows related to operating activities include the following elements :

Interest received \$ 23 \$ 218
Interest paid \$ 607 \$ 187

**PETITCODIAC RIVERKEEPER, INC. /
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NOTES TO FINANCIAL STATEMENTS

December 31, 2002

1. LEGAL STATUS AND NATURE OF ACTIVITIES

The organization, incorporated under the laws of the Province of New Brunswick, is involved in the preservation and restoration of the Petitcodiac River in Moncton, New Brunswick. It is a non profit organization and a registered charity.

2. SIGNIFICANT ACCOUNTING POLICIES

Accounting method for contributions

The organization follows the restricted fund method of accounting for contributions. The Restricted, Special Projects Fund is used to account for revenues with external restrictions as well as related expenses. General program and administrative expenses are recorded in the General Fund.

Inventory valuation

Inventories are valued at lower of cost and net realizable value, the cost being determined using the average cost method.

Capital assets

Capital assets are accounted for at cost. Amortization is based on their estimated useful life using the diminishing-balance method at the following rates :

Office furniture	20 %
Computer equipment	30 %

**PETITCODIAC RIVERKEEPER, INC. /
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NOTES TO FINANCIAL STATEMENTS

December 31, 2002

3. ACCOUNTS RECEIVABLE	2002		2001	
Grants receivable	\$	1,205	\$	2,811
Sales tax receivable		<u>1,723</u>		<u>1,972</u>
	\$	2,928	\$	4,783

4. CAPITAL ASSETS	2002			2001	
	Cost	Cumulated amortization	Net value	Net value	
Office furniture	\$ 1,611	\$ 383	\$ 1,228	\$	1,112
Computer equipment	<u>3,992</u>	<u>1,617</u>	<u>2,375</u>	<u>3,393</u>	<u>3,393</u>
	\$ 5,603	\$ 2,000	\$ 3,603	\$	4,505

5. BANK LOAN

The organization has an authorized line of credit of \$10,000, bearing interest at 4.5% and renewable in November 2003. It is secured by accounts receivable.

6. ACCOUNTS PAYABLE	2002		2001	
Suppliers	\$	337	\$	14,970
Withholding taxes and contributions		4,537		8,330
Accrued expenses		<u>1,789</u>		<u>1,100</u>
	\$	6,663	\$	24,400

**PETITCODIAC RIVERKEEPER, INC. /
SENTINELLES DE LA RIVIÈRE PETITCODIAC, INC.**

NOTES TO FINANCIAL STATEMENTS

December 31, 2002

7. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation used in the current year.