



Southern Alberta Land Trust Society

Annual Report

Progress and Potential
April 2010

www.salts-landtrust.org



2010 Annual Report Contents



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Presented at:
SALTS' Thirteenth Annual General Meeting
M.D. Ranchland Hall, Chain Lakes



President's Message

This past year has been one of steady progress toward the vision that we share for conservation of our southern Alberta foothills landscapes. We have experienced challenges yet have achieved significant success in the form of accepting more conservation easements, furthering important projects, and building a solid organizational foundation for moving forward.

First we would like to thank those who have expressed their confidence in SALTS by recently donating conservation easements to us.

gifts extend beyond the immediate action for we recognize the power of example and leadership that these initiatives provide for others – often to be realized many years later.

“If our treasured landscapes are to be preserved”, stated one American conservationist, “it will be done one easement at a time.” The past year has been one of progress in this regard and the total area under easement to SALTS is now in excess of 10,420 acres – an increase of 14% or over 1,400 acres.



People such as ‘Doc’ Seaman, Ron Rowland, Justin Thompson, Dean and Joan Sandham, and John and Jillian Lawson have set an example to us all in their gifts of protected landscape. The easements that they have donated are examples of stewardship and outstanding habitat. Theirs is a gift to all people in southern Alberta and especially those who get their fresh water from these critical watersheds. The value of these

We have had success in our projects which are undertaken to educate, to increase our knowledge, and to raise the profile and awareness of SALTS. A highlight was our successful ‘Headwaters Ride’ in July, taking fifteen people including the Federal Minister of the Environment the Hon. Jim Prentice, and local radio personality Dave Rutherford, on a ride through the Bob Creek Wildland. It culminated in a BBQ at the Ted and Heather Smith



Ranch on the Oldman River with over 50 people attending. Later, on his popular morning radio program, Dave Rutherford waxed poetic about the incredible landscape he had experienced. Other projects in which we are involved include further work on the Southern Foothills Study, a film to engage young people in the challenges of living in and protecting the grassland watersheds, new ideas in market-based conservation easements, a protocol for developing a conservation land value metric, and input to the Government's Land Use Framework (LUF) process.

There is great potential for what we can accomplish as a land trust. To realize this potential we need a solid organizational and financial foundation under SALTS. We are happy to say that most of the organizational foundation is now in place. Our online information tool, accessible to all staff and directors through a secure authentication and authorization system now provides data on all our

conservation easements and other board documents. Our financial systems are robust, accountability is in place, and spending is under control. This allows us to focus on the next challenge which is to gradually improve our revenue base to build a long-term sustainable business model. We look forward to meeting this challenge with the support of our members, friends, donors and government.

Again, I would like to express our appreciation to all those who have made SALTS a success over the past year. Together we will move closer to the goal of achieving our vision for conservation of our southern Alberta foothills.

Craig Smith
President



Organization and Governance

The Southern Alberta Land Trust Society (SALTS) is organized as a non-profit society in Alberta and has Federal charitable status. SALTS was incorporated in 1998 and operates under the direction of a volunteer Board of up to twelve directors. There are currently eight board directors.

SALTS has always been community based. It was organized under the belief that the most effective and lasting conservation solutions both originate and are maintained at the community level through empowering individuals with the necessary tools and vision.

The geographic area in which SALTS operates can be described as the foothills grassland and woodland along the Eastern Slopes of the Rocky Mountains from the Red Deer River south to the U.S. Border. This landscape is a key watershed, it includes some of the last remaining native fescue grassland in North America, it is home to a ranching community with a strong stewardship ethic, and it provides habitat for a large variety of birds, fish and animals, some of which are species at risk.

The activities of SALTS can be grouped under four main headings:

- **Conservation Easements**
- **Education of the public, industry and government**
- **Ecosystem Study and Protection**
- **Range Management and Monitoring**

Daily operations are handled by Alan Gardner, the Executive Director. Biographical information about the Directors and staff is available on the SALTS website.

www.salts-landtrust.org



During the past year the volunteer Board included the following people from a variety of backgrounds. Each is keenly interested in protecting the quality and diversity of the foothills ecosystem.

Craig Smith	President
John Cross	Vice-president
David Shaw	Treasurer
Phil Rowland	Secretary
Mac Blades	Director
Cody Bateman	Director
Kelly Hall	Director
Mike Robinson	Director



Treasurer's Report

For the Fiscal Year ended October 31, 2009

SALTS faces the same challenges other non-profit organizations face during the economic downturn. However, despite decreased giving and government cutbacks, SALTS managed to control expenses and incur only a small deficit during the year.

In the previous year's annual report it was noted that foundations accounted for 95% of the organization's revenues and that this presented a risk to the organization. This risk came to fruition with the economic downturn. The downturn impacted the funds managed by many charitable foundations resulting in significant cuts to grants. SALTS saw its revenues decrease 75% primarily due to a decrease in this area of funding.

While SALTS did grow other sources of revenue, this growth was not significant and resulted in the need to cut back on expenditures for the cause. SALTS cut expenses primarily in the area of salaries and contracted services. The resulting 61% decrease in costs enabled the organization to achieve a small deficit of \$2,091.

The organization continues to be challenged to find funding for the administration of SALTS and its core easement operations. Work continues to develop funding to run the operation. To date, the growth of an endowment fund has not gained traction but the team remains committed to build a long term financial support structure and alternative revenue streams.

The struggle to grow revenue continues to impact the balance sheet. While the cash position appears strong, most of the funds in the bank are restricted for specific projects. SALTS unrestricted assets have declined to \$77,926. Good stewardship of funds has allowed the organization to ensure funds have been set aside for easement defense. SALTS seeks to grow a fund to ensure ongoing easement maintenance.

David Shaw, CMA
Treasurer





Secretary's Report



SALTS has now experienced a period under our new membership bylaw. The transition has been fairly seamless. We encourage all prospective members to apply before the end of the year in order to have voting status at the Spring AGM.

The Alberta Government still matches private donations to Charitable organizations such as SALTS. We have brought our membership fee down to \$25 and any personal donations greater are eligible for matching funds under this program. We encourage our members to utilize this

opportunity both with membership and while making other donations. We appreciate your support.

Currently there are 13 paid regular voting members and 28 lifetime voting members

Thank you all for your commitment and support. Your confidence in our work is greatly valued.

Phil Rowland
Secretary



Executive Director's Report Progress and Potential

A Year of Success

The past year has been one of great improvement and success for the Southern Alberta Land Trust Society. We have accepted the grants of more easements, created an outstanding online information system, put in place a legacy of stewardship funds for managing our easements, realized success in several projects including a trail ride with the Federal Environment Minister, maintained solid financial management in the face of economic adversity, improved our fundamental procedures and protocols, and maintained our collaboration with other members of the conservation community.



In short, it has been a very good year. As the Executive Director I would like to express my heartfelt gratitude to all the people who have supported our work with donations of money and time, and the funding organizations that have worked with us to fund specific projects focused on understanding our ecosystem and educating people about the importance of this incredible ecological asset. In particular I'd like to thank the late Daryl 'Doc' Seaman, plus Bob Seaman, Colin MacDonald, Ron Rowland, Justin Thompson, Dean and Joan Sandham and John and Jillian Lawson for their special contributions



Outlined on the next pages are details of our work and accomplishments over the past year. We have achieved many things. Nevertheless there is much to be done, both to protect the grassland and woodland ecosystems along the Eastern Slopes, and to place a solid organizational and financial foundation under SALTS.

With the help of our volunteer board and supporters we will work to achieve this together, building on the solid foundation that is now in place.



New Conservation Easements

SALTS received grants of two new conservation easements since the last Annual General Meeting. This brings the total area under easement to in excess of 10, 420 acres. Other possible easement opportunities are under consideration for 2010 and beyond.

The Ron Rowland easement occupies a quarter section of land west of Longview on the south side of the Highwood River. This land has been stewarded by the Rowland family since 1917.



The property is covered by native grassland, a spruce/aspen wooded area, one large, permanent pond, a smaller pond, an ephemeral spring, and a creek. It is leased for grazing to Phil Rowland, the nephew of Ron, and is also used as habitat by a variety of large mammals such as moose, deer and elk, carnivores such as cougars and coyotes, plus grizzly bears and black bears. The pond area shows evidence of beaver and muskrat. It also provides suitable breeding habitat for a diversity of bird species.



The Porcupine Hills easement was donated by the three owners: Justin Thompson, the Sandham family, and the Lawson family. This landscape is an outstanding example of native fescue grass in excellent condition, plus aspen and evergreen woodland. It is located on the west side of the Porcupine Hills facing toward the Livingstone Range.

This land is excellent habitat for ungulates, carnivores, raptors and other wildlife both big and small. It is immediately adjacent to the green zone (forest reserve) and thus provides continuity of wildlife movement. It is an incredible gift to society by the owners.



Existing Conservation Easement Management and Monitoring

I am happy to report that there were no major problems or challenges to our existing conservation easements during the past year. Onsite inspections and discussions with owners showed a generally high level of stewardship and awareness of the need to protect the ecosystem and the quality of the native grassland.

Work continued in refining our procedures related to easement inspections including forms, protocols and filing. This work includes standardizing the methods for inspections and converting inspection reports to pdf format as a backup and in order to provide online access.

The online system with our conservation easement data has already saved significant time when quick information about our easements is required. I know of no other land trust that has this quality and speed of access to their easement data. As for security of the information, the private section of the website is behind an individual login authentication system which includes a series of authorization levels, plus all sensitive pdf documents are further encrypted with a password.

With the online conservation easement data system in place, any authorized director can review the location of easements as well as the basic

information about the Agreement details and restrictions, the baseline ecological data, the owner and contact person, the stewardship record, and see representative pictures of the landscape. This can be useful for them in speaking to people about new easements and in promoting the work of SALTS in general.



SALTS now has twenty Conservation Easements of which some are grouped physically or by ownership. Thus, from an inspection viewpoint, there are fourteen different inspections required annually each of which requires between two and three days of work to coordinate with the owner, visit and walk the site and take photos, organize the photos back at the office, write the report, and upload a copy to the online system. Simple arithmetic suggests that this can take in excess

of 30 working days over the summer season. In addition there is other time required to stay in touch with the owners and monitor other development activities in the area. All this takes time and financial resources.

SALTS has therefore put in place a minimum amount of dollars that must be placed in our Stewardship Funds for each new easement for the ongoing funding of this work.



Organization Initiatives

Significant progress was made in basic organization this past year. Documents pertaining to governance and detailing the process of putting a conservation easement in place were updated, refined, and reformatted. This includes:

- Finalizing our new Conservation Easement (CE) Agreement.
- A CE Initial Assessment Protocol for potential Grantors.
- A CE Typical Process document for potential Grantors.
- A template for a CE preliminary assessment report for Board consideration.
- A new Director orientation document.
- Board of Directors' Roles and Responsibilities document.
- Stewardship Funds process and explanation for potential Grantors.

Office procedures and protocols for dealing with donations, tax receipts and expenses are in place and working well. The accounting software is Quickbooks in which entries are kept up-to-date weekly and backed up monthly. The books are audited annually. In addition a new donor management system has been created to make fundraising activities more efficient. This will be reviewed in more detail later in this report.

The SALTS website was updated and the private section augmented. The private area is set behind a personal multi-level login authentication and authorization system that provides security of access. In addition, all private documents in pdf format are encrypted with a password for further security.

The staff and Directors of SALTS can now access for reference online the current and archival documents of Board meetings, Annual General meetings, strategy documents, and the current Bylaws. Other information will be added as necessary and useful such as meeting schedules. In essence we are moving toward a type of virtual office where key information is available to any authorized person at any time and from any place so long as they can access the internet.

Another advantage of having documents online is risk management and business continuance. If an unforeseen disaster should strike the SALTS' office and damage some paper records then the online material will still be available. Of course, having the documents online also improves efficiency of communication and reduces printing costs which offsets the cost of scanning documents and placing them on the website.

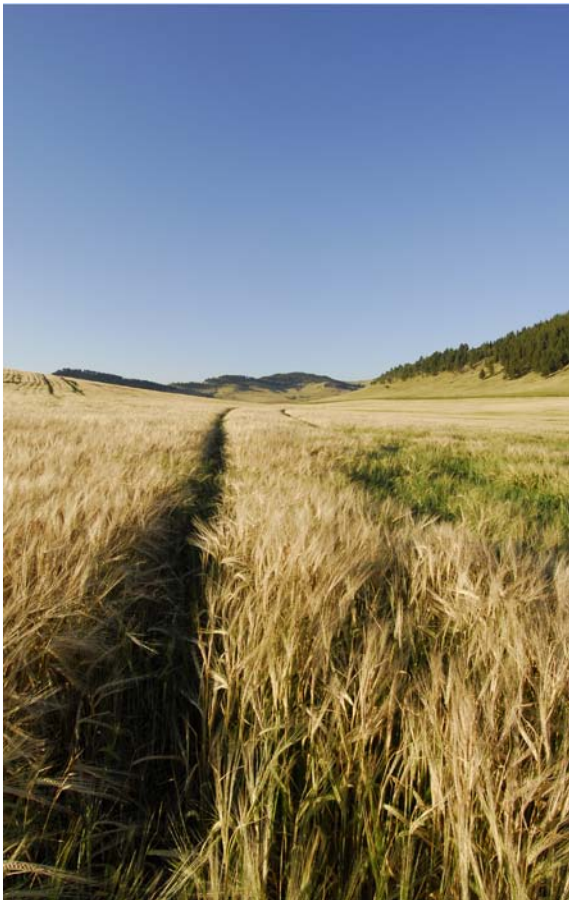
The website itself is gradually being converted to a more modern format with drop-down menus. Most pages are still in the older format but this is being updated as time and funds are available. The conversion involves not just a format change but a certain amount of change and improvement to the content itself. It will ultimately also include a news/blog page to keep our visitors up-to-date. The website currently receives some 25,000 visits per year (not hits, but separate visits).



Financial Management and Funding

The financial statements show a healthy balance sheet with expenses under tight control. In addition, a financial risk analysis shows a good margin of safety. This has allowed SALTS to weather the recent (and current) economic downturn with no serious problem. Nevertheless, the picture when it comes to funding for new conservation easements is always a challenge.

While projects are self-funded through grants from interested funding agencies, raising money for the purpose of putting conservation easements in place and ensuring they are properly monitored and managed is a continuing challenge. We continue to make CE granting applications where possible, including the Canadian Land Trust Alliance, the Alberta Community Spirit Program, and recently the Mountain Equipment Coop. Many of these are matching grants, and the Community Spirit Program only matches personal donations.



It costs anywhere from approximately \$12,000 to \$17,000 to put an easement in place. This includes legal work, appraisal, coordination, baseline ecological study, office and travel costs. In addition, the Board has mandated that an additional minimum of \$12,500 be placed in the Easement Stewardship Fund for the ongoing monitoring and management of the easement. This means that we need to access some \$25,000 to \$30,000 for each new easement placed.

For ongoing management we now have two Stewardship Funds at The Calgary Foundation (TCF) and these funds will grow as more easement are added. These funds are called the Southern Alberta Land Trust Society Stewardship Fund and the Daryl K. Seaman Stewardship Fund. We also have a general endowment fund at The Calgary Foundation which provides about half of our basic annual operating expenses, not including staff costs.

In order to ensure a solid financial footing for SALTS we need to do two things: significantly increase the general endowment fund at TCF, and second do a better job of annual fundraising.



Financial Management and Funding (continued)

Donor Database

As part of the latter requirement we have created a new information system to track members, donors and donations. A review of some commercial products showed that they did far more than SALTS needed at this time and they required a significant (for us) annual expense. As a result we developed a robust and fully normalized database in Microsoft Access which tracks all donors and donations.

This facility allows us to properly manage our donors and provides a foundation to increase our list of donors in an organized fashion. It also makes it faster and far more efficient to generate mailing lists and labels for mail-outs. It is fundamental to any non-profit and has already proved itself highly useful in creating mail-outs for this AGM.

Thus we now have in place the structure needed to have a solid fund-raising system in place to provide for ongoing operations, to fund new Conservation Easements, and to put money into our endowment funds.

The endowment challenge is one of raising and setting aside funds to generate an annual income sufficient to cover office expenses and basic staffing, plus the cost of putting in place new easements.

The Treasurer's report lays out the challenge succinctly. We need to widen our charitable fundraising to include a broad range of large and small donors, and improve our ability to raise money for endowment funds.





Projects and Community Outreach

Alberta Land Stewardship Act (ALSA)

The new Alberta Land Stewardship Act was proclaimed on October 1, 2009. Conservation Easements are now governed by this Act rather than the old Environmental Protection and Enhancement Act.

As a result, SALTS has had to make some modifications to its procedures. We are examining the role of land trusts such as SALTS vis a vis a number of measures introduced by the new Act such as the inclusion of agricultural land as a valid land use for conservation easements, and the enablement of offsets including Transferable Development Credits (TDC's).

The ALSA was created as part of the Alberta Land Use Framework process. SALTS continues to provide input to this process with the focus now on the South Saskatchewan Regional Advisory Council (SSRAC) which is preparing recommendations for land use planning to be presented to the Land Use Secretariat.

For our part, SALTS prepared and delivered a set of recommendations to the SSRAC dated January 2010. A copy of these recommendations can be downloaded from the SALTS website. The new planning structure under the ALSA will have far-reaching effects on how we use our landscape and all rural landowners should make their opinions known.



As part of this initiative to provide input to the ongoing Land Use Framework process we are developing and putting forward a Dominant Land Use (DLU) planning concept which we would argue has a serious applicability to land use planning along the Eastern Slopes. This is a critical area as a watershed and as a habitat for wildlife including endangered species. Contact SALTS for a copy of a preliminary discussion paper on this subject.



Projects and Community Outreach (continued)

Initiating and managing projects allows SALTS to fulfill its mandate of education, community outreach, and ecosystem study. It also raises the profile of SALTS and provides opportunity for media coverage. The current projects consist of the following initiatives.

Headwaters Trail Ride

Fifteen riders including the Federal Environment Minister the Hon. Jim Prentice, and Calgary radio personality Dave Rutherford, mounted their horses and for two days in July enjoyed the spectacular scenery of the Bob Creek Wildland. They camped out on the Saturday night and were entertained at midnight by a spectacular electric storm. On Sunday after crossing the Oldman River the ride ended with a BBQ at the Ted and Heather Smith ranch with over 50 people in attendance. The weather was outstanding. On the following day, Dave Rutherford of CHQR waxed poetic about the beauty he had seen on the ride.



Pekisko Valley

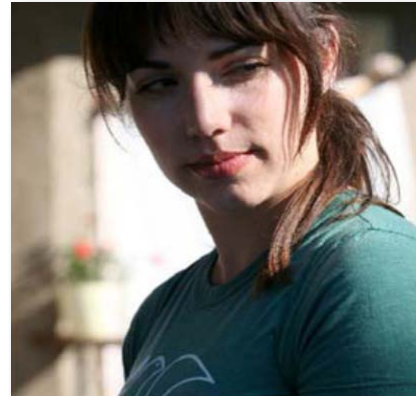
This valley has a long and interesting history from the native peoples' plains culture to the coming of the Europeans and up to the present day. In cooperation with the Hanen Society for Resource Conservation, who are funding the project, we will be examining the native historical culture in the valley, the history of the European arrival and start of ranching, and the ecological assets of the area including range health assessment and grazing management. We will be cooperating with people from the Glenbow and the Bar-U in the study. The schedule is to do the field work during the summer of 2010 and have the report written by the end of the year.



Projects and Community Outreach (continued)

Stonewater Movie

Almost two years in planning, shooting and editing, the watershed film was completed early in 2010. This story filmed in HD is designed to catch the attention of the 18-35 year old urban demographic and tell them something of the challenges of living in the foothills watershed and trying to protect it from excessive development. It opens with a young couple waking up to a water shutoff due to an unknown contaminant in the supply. The film will be used as a tool in our education and outreach program.



Land Conservation Value

Understanding the relative conservation value (CV) of land along the Eastern Slopes is important to SALTS for two main reasons: First, because with scarce resources it is important to know the conservation value of different land parcels in order to make good decisions about where the most resources should be focused on protecting land through conservation easements. Second, our concept of Market-based Conservation Easements (MBC) which was developed in work with the Manning Centre requires that some relative value of land from a conservation and ecological services standpoint be known. Last fall we received funding for Dave Poulton to do a brief survey of other ENGO's to determine their interest in such a system. Dave's report showed a significant interest in the concept. Also, such a project would fit well with the Alberta Government's GeoPortal system where a great deal of important data is becoming available. We will be proceeding to further this initiative in order to create a benefit and planning tool for all land trusts.



Projects and Community Outreach (continued)

Southern Foothills Study - Phase 3

Following on the work of the original Southern Foothills Study (SFS) with the science of Dr. Brad Stelfox, we will be completing the work and report on this phase with a goal of determining how efforts to mitigate the effect of our human footprint will change the indicator trajectories outlined in the original study



Water Baseline Testing

Quality water is essential for agriculture and wildlife. Despite a significant increase in interest in the source and quality of water in Alberta, there is still little hard data on water flowing from wells and springs along the foothills. Despite delays, we will be moving forward to assist easement grantors and other landowners to test their water supply and gather aggregate data on the foothills water.

Community Outreach

Once again SALTS was active in attending meetings, making presentations to groups, and preparing reports to promote conservation and good land use planning. We were represented at the Gaining Ground Conference at Calgary in May 2009, the IAFE conference at Banff in February 2009, the Prairie Conservation Forum workshop at Okotoks in January 2010, the Action for Agriculture workshop at Cochrane in March 2010, as well as others. We were also a presenter at the National Stewardship Conference at the University of Calgary in July 2009 and the Water and Land Conference at Calgary in December 2009. The Executive Director is on the Board of the Alberta Land Trust Alliance (ALTA), attending board meetings as well as the ALTA conference in March 2009 and the workshop in Hanna in September 2009

Lundbreck Corridor

Justin Thompson and his family have property south of Lundbreck and Justin is interested in the idea of creating a wildlife corridor from the Waterton / Crown wilderness across Highway 3 and up Rock Creek to the open ranchland to the north and west of Lundbreck. He and SALTS, with some preliminary funding from the Mountain Equipment Coop, are working together to develop the concept and examining how conservation easements can be used to establish such a wildlife corridor.





In Appreciation

Again, we would like to express our appreciation to those organizations and individuals who have come forward to fund SALTS and thereby help protect the foothills ecosystem through conservation easements. Thank you for your financial support, your understanding, your patience, and your dedication to conservation. It is greatly appreciated.



Photo Credits:

Gordon Petersen, the Rowland Family, Jim Smith, Dr. Derrick Thompson, and Alan Gardner

Contact

Please feel free to contact us if you have questions about SALTS and Conservation Easement, or if you wish to make a donation.

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SOUTHERN ALBERTA LAND TRUST SOCIETY

FINANCIAL STATEMENTS

OCTOBER 31, 2009

SOUTHERN ALBERTA LAND TRUST SOCIETY

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SCASE & LIVELY
PROFESSIONAL ACCOUNTANTS

AUDITORS' REPORT

To: The Members of
Southern Alberta Land Trust Society

We have audited the statement of financial position of Southern Alberta Land Trust Society as at October 31, 2009 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society'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 required 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 Society as at October 31, 2009, and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
January 13, 2010

Professional Accountants

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Partners are members of the CGA Association of Alberta, Institute of Chartered Accountants of Alberta or CMA Association of Alberta

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED OCTOBER 31, 2009

	2009	2008
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 426,795	\$ 409,538
Accounts receivable	2,664	12,525
Prepaid expenses	1,077	3,510
	430,536	425,573
CONSERVATION EASEMENTS (Note 2)	7,476,754	6,025,426
OTHER INVESTMENTS	27	27
CAPITAL ASSETS (Note 3)	2,222	2,898
	\$ 7,909,539	\$ 6,453,924
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,560	\$ 43,392
Deferred revenue	61,538	
	70,098	43,392
NET ASSETS		
Invested in capital assets	2,223	2,898
Restricted for conservation easements	7,476,754	6,025,426
Externally Restricted (Note 4)	219,464	232,468
Internally restricted (Note 5)	63,074	63,074
Unrestricted	77,926	86,666
	7,839,441	6,410,532
	\$ 7,909,539	\$ 6,453,924

Approved by Board of Directors

_____ Director

_____ Director

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED OCTOBER 31, 2009

	2009	2008
Revenues		
Contributions		
Grants/donations - other	\$ 67,752	\$
Individuals	20,074	3,370
Government	3,719	11,000
Unreceipted donations	1,625	2,498
Corporate and foundations	950	399,543
	94,120	416,411
Income from Calgary Foundation (Note 6)	13,264	17,088
Event revenue	1,123	1,000
Interest	536	7,509
Membership	475	1,500
	109,518	443,508
Expenditures		
Salaries and contracted services	87,602	260,194
Professional fees	6,761	7,194
Publications and resources	5,246	8,314
Insurance	4,482	4,799
Rent	3,000	3,000
Telephone	1,898	2,595
Office expense	1,434	360
Amortization	676	943
Bank charges	239	52
Education	177	1,088
Memberships	65	300
Travel	29	3
Fundraising	0	288
	111,609	289,130
Excess (shortfall)		
of revenues over expenditures for the year	\$ (2,091)	\$ 154,378

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED OCTOBER 31, 2009

	Invested in capital assets \$	Restricted for conservation easements \$	Externally restricted \$	Internally restricted \$	Unrestricted \$	2009 Total \$	2008 Total \$
Net assets, beginning of year	2,898	6,025,426	232,468	63,074	86,666	6,410,532	6,256,154
Excess (deficiency) of revenue over expenses			(2,836)		745	(2,091)	154,378
Amortization	(675)				675	0	
Donation of conservation easements		1,431,000				1,431,000	
Maintenance of easements		20,328			(20,328)	0	
Transfers between Funds			(10,168)		10,168	0	
Net assets, end of year	<u>2,223</u>	<u>7,476,754</u>	<u>219,464</u>	<u>63,074</u>	<u>77,926</u>	<u>7,839,441</u>	<u>6,410,532</u>

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED OCTOBER 31, 2009

	2009	2008
Cash flows from operating activities		
(Shortfall) excess of revenues over expenditures for the year	\$ (2,091)	\$ 154,378
Item not affecting cash		
Ecological donations	1,431,000	
Amortization	676	943
	<u>1,429,585</u>	<u>155,322</u>
Net change in non-cash working capital items		
(Increase) decrease in accounts receivable	9,861	44,841
(Increase) decrease in prepaid easement expenses		
(Increase) decrease in prepaids	2,433	
(Increase) decrease in investments		
Increase (decrease) in accounts payable and accrued liabilities	(34,833)	(11,077)
Increase (decrease) in deferred contributions	61,538	
	<u>38,999</u>	<u>33,765</u>
Cash flows from financing and investing activities		
Purchase of conservation easements	(1,431,000)	
Easement maintenance costs	(20,328)	(10,801)
Purchase of capital assets		
	<u>(1,451,328)</u>	<u>(10,801)</u>
Change in cash and cash equivalents during the year	17,256	178,284
Cash and cash equivalents, beginning of year	<u>409,539</u>	<u>231,254</u>
Cash and cash equivalents, end of year	<u><u>426,795</u></u>	<u><u>409,539</u></u>
Cash and cash equivalents consists of		
Bank balances	426,795	224,431
Guaranteed Investment Certificates	0	185,108
	<u>\$ 426,795</u>	<u>\$ 409,539</u>

The accompanying notes form an integral part of these financial statements

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2009

1) Organization

The Southern Alberta Land Trust Society ("Society") was incorporated under the Societies Act on January 13, 1998 as a non-profit organization and is a registered charity under the Income Tax Act.

The Society is also registered under the Charitable Fundraising Act of Alberta and has considered all required disclosures under Section 7(2) of the Act in preparing these financial statements.

The Society was formed to maintain the ecological, cultural, productive and scenic values of Southern Alberta's foothill and prairie regions. The Society operates directly with landowners and agricultural interests to provide long-term protection for private lands that have traditionally safeguarded these values. The Society aims to achieve its objective through the acquisition of conservation easements, the promotion of environmentally compatible land uses, and the education of landowners and the public.

A conservation easement is a voluntary, legally binding agreement that limits the amount and type of development that can occur on a property in order to preserve its environmental, recreational, scenic, historic, and/or productive qualities. The landowner continues to retain title to the property and all other rights of property ownership. While the terms of conservation easements vary, all preclude environmentally damaging forms of development. Conservation easements are typically assigned in perpetuity, registered on title to the land

Landowners may receive an income tax receipt for the donation of a conservation easement to a registered charity. The value of the receipt is determined by a certified land appraiser and usually represents the difference in the appraised value of the property before and after the conservation restrictions are in place.

2) Significant accounting policies

Use of estimates

These financial statements are prepared in accordance with Canadian generally accepted accounting principles that require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2009

Revenue recognition

The Society follows the deferral method of accounting for contributions. Under the deferral method, contributions are recognized as revenue in the period they are received or receivable, with the exception of restricted contributions related to expenses of future periods, such contributions being deferred and recognized as revenue in the period in which the related expenses are incurred.

Endowment contributions are recognized as direct increases in net assets in the current period.

Conservation easements

Interest in real property by acquisitions of conservation easements are recorded in the accounts of the Society when conservation easements are registered on the title of the property and are recorded at the estimated fair market value at the time of the acquisition including any costs associated with the receipt of the conservation easement. Donated conservation easements are recognized as direct increases in net assets when registered on the title of the property.

Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments that are highly liquid and are readily convertible to known amounts of cash and are subject to insignificant risk of change in value.

Capital assets

Capital assets are recorded at cost. Amortization is provided on a declining balance method based on the estimated useful lives of the assets as follow:

Office equipment	5 years
Computer equipment	3 years

Donated materials

Donated materials are recorded at their estimated fair value if the donated material would have otherwise been paid for if not donated. If fair value cannot be reasonably estimated, such donations are not recorded.

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2009

Financial instruments

The Society's financial instruments are comprised of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities. The fair market value of these financial instruments approximate book value due to their short-term nature and they bear interest at market rates. The Society is not subject to any significant credit, interest rate or foreign exchange rate risk.

3) Capital assets

	Cost \$	Accumulated Amortization \$	2009 Net \$	2008 Net \$
Office equipment	7,251	5,240	2,011	2,513
Computer equipment	13,822	13,610	212	385
	21,073	18,850	2,223	2,898

4) Externally Restricted

	Water shed Video \$	Water Testing Protocol \$	Eco- Market \$	Conservati on Value \$	Hanen Conservation \$	SFS3 \$	Trail Ride \$	Lundbreck Corridor \$	Total \$
Opening Balance	23,099	131,518	41,717			36,134			232,468
Foundations			1,500	5,000					6,500
Other charities				5,000					5,000
Deferred revenue					42,529				42,529
Donations							1,000		1,000
	23,099	131,518	43,217	10,000	42,529	36,134	1,000		287,497
Expenses	(7,825)	(1,901)	(24,197)	(3,831)	(8,350)	(1,899)	(9,851)	(10)	(57,864)
Transfers			(19,020)				8,851		(10,169)
End Balance	15,274	129,617	0	6,169	34,179	34,235	0	(10)	219,464

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2009

In fiscal 2009:

- a) Funds received from Samuel Hanen Conservation Society in the amount of \$92,529.
- b) Funds received from other various sources in the amount of \$14,262.

5) Internally restricted

At October 31, 2009, the restricted bank balance was \$63,074. The income from this fund is to be restricted as well. The restricted amount is for:

- a) defence of conservation easements if any held by the Society were to be challenged in the courts by a landowner or an interested or affected member of the public;
- b) remediation or restoration of conservation easement land where the landowner had failed or refused to do so.

6) Income from Calgary Foundation

During the year, the Society received \$13,264 of investment income (2008 - \$17,088) from the Calgary Foundation ("Foundation") related to a \$325,000 gift by the Society to the Foundation in 1999. The terms of the agreement entitle the Society to receive investment income of 5% of the market value of the fund annually.

7) Commitments

The Society leases office space on a month to month basis at a cost of \$250 per month.