



Southern Alberta Land Trust Society
Stewardship is our Nature

Annual Report



Progress and Potential
April 2011

www.salts-landtrust.org



2011 Annual Report Contents

Page

1. **President's Message**
3. **Organization and Governance**
4. **Treasurer's Report**
5. **Secretary's Report**
6. **Executive Director's Report**
14. **Financial Statements**
16. **Donor Thanks**

Presented at:
SALTS' Fourteenth Annual General Meeting
April 18, 2011
M.D. Ranchland Hall, Chain Lakes, AB



President's Message

We are excited to announce the opening of our new office in High River. We welcome Laurie Clayton aboard as our new Office Administrator and look forward to working with her. The new office gives us a more visible profile although we will miss our quiet, scenic spot at Chain Lakes.

The office move is due to growth in our administrative workload of managing a growing list of conservation easements – a welcome challenge - and continuing to initiate projects that help to educate people on the importance of the native fescue grasslands and our ranching heritage.



Our goal over the next period is to build upon the significant successes that we have had in the past few years and build SALTS into the province's premier land trust. We are already the largest Alberta-based land trust by area and are well positioned to continue this growth despite the difficult financial conditions which all charities are currently facing.

We continue to be refreshed and delighted by the good people that we connect with at SALTS. The Lawson, Sara and Thompson families have been wonderful to work with as easement donors this past year. The Lundbreck Crossing project, spearheaded by Justin Thompson, is part of a larger initiative that is underway in the Crowsnest Pass. Such a wildlife corridor will provide a key connected landscape from the Waterton area across Highway 3 near Lundbreck and up Rock Creek to the open grasslands beyond. This particular landscape is a crossroad of several promising political, ecological, and scenic elements.

The partnership with the Hanen Society in the study of the Pekisko Valley continues. This is a project that connects SALTS with the early historical roots of wise land-use in Alberta's foothills. That is an important thing for us. Making those connections and being seen as responsible stewards of the Alberta foothills is one of our primary objectives. We continue our quest to become educators on this theme.

Much appreciation goes to our volunteer Board that continues to guide and support SALTS in its work. The expertise and varied experiences of Board members is critical as we move to fulfill our long-term strategy.



We continue to work with the Canadian Land Trust Alliance (CLTA) and the Alberta Land Trust Alliance (ALTA) to create an innovative and secure position for land trust conservation in Alberta.

Along with all land owners in the province, we are hopeful, curious and excited about the implementation of the new Alberta Land Stewardship Act. We are optimistic that land trusts will be seen as an integral and constructive element in the emerging scheme of things. We applaud the Alberta Government in tackling such an ambitious project that is so necessary to bring intelligent and cooperative land use planning to our province.

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 seven 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 generally be described as the native grasslands and woodlands of Alberta south of Red Deer. The western part of this landscape is a key watershed including the headwaters of the Red Deer, Bow, Sheep, Highwood, and Old Man Rivers; all part of the South Saskatchewan River system. The eastern part includes the mixed dry grass prairie that once supported herds of Bison. The entire area 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, animals and fish, some of which are listed as 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.**



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

Daily operations are handled by Alan Gardner, the Executive Director, supported by Laurie Clayton, the Office Administrator.

Biographical information about the Directors and staff is available on the SALTS website.

www.salts-landtrust.org



Treasurer's Report

For the Fiscal Year ended October 31, 2010

SALTS has weathered the economic trials of the last few years in very good condition. While many charities have been hard hit by a reduction in available donations and grants, and those with endowment funds have suffered from reduced returns due to historically low interest rates, SALTS has benefitted from its strong cost-containment policies carried out over the past five years. This stability has been assisted by programs such as the Alberta Community Spirit grant program, plus donations from individuals and foundations.

We are also starting to benefit from a policy of placing easement stewardship funds with The Calgary Foundation (TCF). This program which was begun three years ago, requires that we place a minimum amount for each new easement with TCF for the purpose of funding our ongoing easement monitoring and management program. The income which is now flowing from these investments has helped in maintaining our financial stability.

The audited financial statements show a positive cash change of some \$35,000 compared to a slight loss for last year. Nevertheless, SALTS continues to be challenged to find funding for basic operations and for new conservation easements. In addition to the required stewardship funds mentioned above, we need to raise some \$15,000 for the costs associated with each new easement. Considering that we accepted the donation of three new easements last year this is a considerable amount of money that must be raised.

Looking forward, our base costs will increase somewhat with the hiring of a part time administrator and the new office in High River. However, this strategic move is expected to free up some of the Executive Director's time which will then be spent on improving our fundraising capacity.

*{Note: Prepared by the
Executive Director on
behalf of the Treasurer}*





Secretary's Report



Our membership has remained relatively steady over the past year. We currently have 33 lifetime members and 21 paid members. The increase in lifetime members is due to the acceptance of new conservation easements. When an easement is donated, the owners become a lifetime member of SALTS.

The offering of lifetime membership to easement donors encourages them to take part in the direction of SALTS. This lifetime membership goes with the person who donated the easement in the first place and doesn't run with the land. When

land with a conservation easement is sold, the new owner would have to purchase an annual membership.

Members are a key part of the success of SALTS in its effort to protect habitat for wildlife, the critical watersheds of the southwest Alberta foothills, and the ranching culture that keeps this landscape healthy. We thank all the members that have participated and provided funding for our work.

Phil Rowland
Secretary



Executive Director's Report Progress and Potential

A Year of Building

The past year has been one of adding new conservation easements and improving the organizational foundation of SALTS. In all of this we have experienced success while keeping our financial house in good order. Despite the overall economic challenges of the past few years we have continued to build SALTS into a premier land trust.

SALTS is the largest Alberta-based land trust and was one of the very first land trusts to be established in Canada. We now have over 11,000 acres under easement. We are at the forefront of developing 21st Century organizational structures using the Internet. We have recently moved our office to High River and hired a part time administrator. It has been and continues to be a time of building on past success and moving forward.



In short, it has been a year of success and no small part of this has been due to the financial contributions of our donors that keep this work going. I want to express my gratitude to all the individuals and organizations that have contributed so much to this success. In particular I'd like to thank our recent easement donors: John and Jillian Lawson, Bill and Shirley Sara, and Stella Thompson. I'd also like to extend thanks to Justin Thompson who continues to do such sterling work on the evolving wildlife corridor across Highway 3 near Lundbreck.



Our business is a complex one. The process of putting an easement in place involves multiple steps, all of which must be done accurately and in proper order to ensure that a conservation easement is legally registered and not subject to challenge. Then we need to ensure that all our conservation easements are maintained according to the Agreements, and that all our records are accurate and in order. It is a significant challenge. SALTS is meeting that challenge with hard work and creativity.

Putting an easement in place requires expertise in

legal contracts, land titles and conservation easements, land appraisals and financial matters, plus knowledge of ecological values including botanical and biological systems. This must all be supported by expertise in managing contractors, the ability to organize volunteers, the ability to create and carry out fundraising programs, and the ability to interface with governments and other NGO's.

Thanks go to the staff, volunteers, and the board for bringing their talents to the organizations and making all this happen.



New Conservation Easements

SALTS accepted donations of three new conservation easements since the last Annual General Meeting. This brings the total area under easement to in excess of 11,370 acres including twenty-three easements on land held by sixteen landowners.

The Lawson Porcupine easement occupies a half section of land on the southwest side of the Porcupine Hills. The property is an excellent example of native fescue grassland with some pine, spruce and aspen forest. It is immediately adjacent to the green zone (forest reserve) and thus provides continuity of wildlife movement. The Porcupine Hills area is home to elk, deer, moose, black and grizzly bears, coyotes, cougars and a variety of small mammals. It also provides high quality habitat for raptors such as hawks and eagles as well as other bird species.

Due to the picturesque nature of the Crowsnest River and the easy access from Highway 3, the Sara property and adjacent lands are under severe threat of development. This is one of the few places along Highway 3 where a viable wildlife corridor can be maintained. The property has open grassland and woodland with the Crowsnest River winding through part of it. The river is famous for fly fishing. The main wildlife corridor is on the east side of the property, east of the river at that point.

The Stella Thompson property is to the east of the Sara property, and higher up in the hills. This half section is critical to maintaining and widening the corridor, with lots of native grass and woodlands. Because it is higher it can provide good winter grazing for ungulates as the strong west winds keep the hills relatively free of snow.



The Thompson and Sara properties are part of what has been called the Lee Lake – Rock Creek wildlife corridor, sometimes simply called the Lundbreck Corridor. It is a documented corridor used by wildlife in moving between the Waterton Front area and the open grasslands and forest to the northwest of Lundbreck Falls.

These new conservation easements protect critical habitat on landscapes which are about as lovely as can be imagined, with open grassland, pine trees, woods, and the Rocky Mountains filling in the background. It is this incredible natural beauty that puts them at risk for residential development.



Existing Conservation Easement Management and Monitoring



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

Our thanks go to the landowners for their stewardship ethic and positive attitude toward conservation. It is a pleasure to meet them, walk or ride the land with them, and share their stories.

Work continued in refining our procedures related to easement inspections including forms, protocols and filing. A new GPS tool was purchased (Garmin GPSmap76CSx) to replace the old GPS. With this

new tool the documenting of inspection routes and photo locations is significantly improved. The digital photos (we take many) are a key tool in documenting the condition of our easements.

The online system for accessing conservation easement data has been kept up-to-date and is proving to be exceptionally valuable. This is a key part of the virtualization of the office to create efficiency and implement our 21st Century organizational structure. This is also part of our management of risks related to backup and protection of key documents.



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.

Land use planning is a complex undertaking. It must reflect the vision and values of the local community while at the same time balancing the needs of disparate interests, including wider economic interests. Rural people have a different relationship with the land compared to the average urban dweller. It is their home, their means of making a living, and their legacy. Their quality of life depends significantly on the health of the surrounding ecosystem. The asset represented by a functioning landscape that provides a living for the landowner, plus ecosystem services for the society, is something to be protected.

Under the ALSA and the Land Use Framework process, the regional plan recommendations for the South Saskatchewan area were recently completed by the Regional Advisory Council (RAC) and sent to the Secretariat. SALTS provided its own input to the RAC in the form of recommendations for their consideration. We look forward to further consultation on the draft plan.

Despite recent criticism toward parts of the Act, it is expected that the tools highlighted by it, such as Conservation Easements and Transferrable Development Credits, will become more important in the future as the Act is implemented. SALTS supports the goals of this Act and is preparing to take a major role in such initiatives.



Financial Management

The recent financial statements show a healthy balance sheet and we have expenses under tight control. Our Stewardship Funds at The Calgary Foundation (TCF) are starting to provide income for conservation easement monitoring, and the Legacy Fund (also at TCF) is providing more than half of our basic operating costs, not including staff consultants. All this provides a good foundation on which to build a truly sustainable funding model. Specific research and outreach projects are, of course, expected to fully pay for themselves.

The largest challenge to financial health continues to be that of finding money for new conservation easements and basic operating expenses. Last year we put a donor database in place to track all dona-

tions. This has proved invaluable for a number of tasks and will help us develop a proper donation management and encouragement program. The next step is to fortify our literature to better explain what we do and why people should contribute to our work.

Our accounting system organization, using QuickBooks classes for all projects, has allowed us to easily and accurately track all expenditures by project class. This has made reporting, especially for grants, much faster and straightforward. It does take a little extra time in posting accounting entries but the time saved in reporting more than makes up for it. We are also in a very good position if a grantor wishes to audit our accounts. As a charitable organization we believe in full accountability.





Projects and Community Outreach

Pekisko Creek Valley Study:

This valley has a long and interesting history from the native horse culture of the great plains 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 are studying the pre-contact and post-contact history of human activity, the ecological features, wildlife, and any archaeological data. We have been working with the Glenbow Institute, Warren Elofson and George Colpitts of the University of Calgary History Department, Rick Rowell, and Arrow Archaeology to complete the work. The study will be completed this summer.



Lundreck Wildlife Corridor:

Justin Thompson, a landowner near Lundbreck Falls, has been working on a project to protect a documented wildlife corridor across Highway 3. This is sometimes called the Lee Lake – Rock Creek corridor. We continue to work with Justin to establish conservation easements in the corridor. This will be an important part of our work for the next year or two, and will require raising significant funds.

Described elsewhere in this report, establishing this corridor through conservation easements and other means will be one of our major projects for the coming few years.

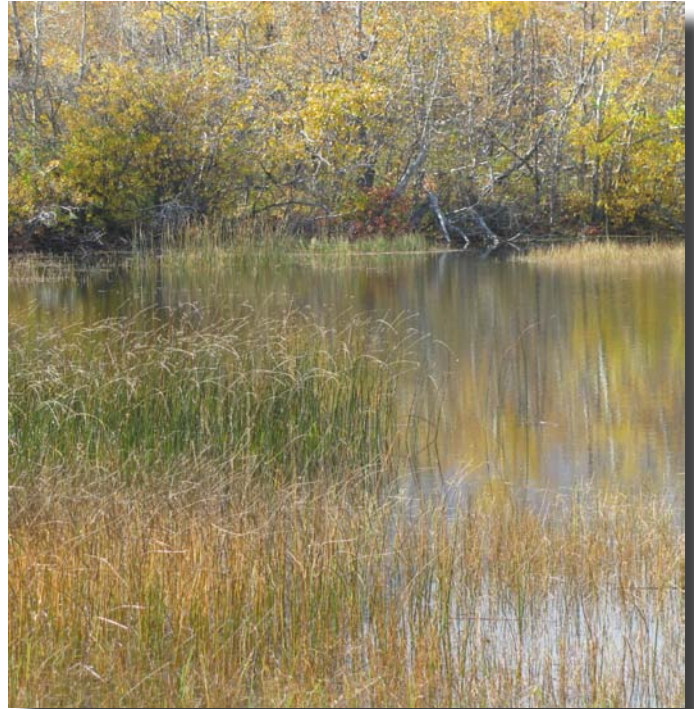


Projects and Community Outreach (continued)

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. This is a complicated project and requires careful planning.



Other Initiatives:

SALTS continues to build on previous projects to better able us to provide education to the public and understand the rangeland ecosystems. The Stone-water Film will be completed. The SFS Phase 3 is simply waiting for further scientific study and it will also be completed. The Landscape Value project is becoming more viable as further data is available from the Government of Alberta (for example the GeoPortal), and the ALSA is implemented.

We already have significant credibility with the local landowners and we will build on this to support those ranchers who want to work with us to protect the significant assets represented by healthy grass-land ecosystems and the foothills watersheds.

In the last year we engaged with National and International NGO's by attending the Canadian Land Trust Alliance conference in Banff at the end of September 2010, and the Crown of the Continent conference in Waterton in October 2010.



Audited Financials Summary

Auditors: Scase & Partners, Professional Accountants

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED OCTOBER 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 376,261	\$ 426,795
Accounts receivable	2,921	2,664
Prepaid expenses	1,284	1,077
	<u>380,466</u>	<u>430,536</u>
CONSERVATION EASEMENTS (Note 3)	8,047,209	7,476,754
OTHER INVESTMENTS	27	27
PROPERTY AND EQUIPMENT (Note 4)	<u>1,725</u>	<u>2,222</u>
	<u>\$ 8,429,427</u>	<u>\$ 7,909,539</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 9,865	\$ 8,560
Deferred revenue	0	61,538
	<u>9,865</u>	<u>70,098</u>
NET ASSETS		
Invested in capital assets	1,725	2,223
Restricted for conservation easements	8,047,210	7,476,754
Externally Restricted (Note 5)	191,377	219,464
Internally restricted (Note 6)	63,074	63,074
Unrestricted	<u>116,176</u>	<u>77,926</u>
	<u>8,419,562</u>	<u>7,839,441</u>
	<u>\$ 8,429,427</u>	<u>\$ 7,909,539</u>



**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED OCTOBER 31, 2010**

	2010	2009
Revenues		
Contributions		
Grants and donations - other	\$ 75,912	\$ 67,752
Corporate and foundations	30,893	950
Individuals	21,601	20,074
Government	12,980	3,719
Unreceipted donations	12,570	1,625
	<u>153,956</u>	<u>94,120</u>
Income from Calgary Foundation (Note 7)	15,851	13,264
Event revenue	838	1,123
Interest	306	536
Membership	375	475
	<u>171,326</u>	<u>109,518</u>
Expenditures		
Salaries and contracted services	86,791	87,602
Grants-Calgary Foundation	25,000	
Professional fees	6,400	6,761
Office expense	4,125	1,434
Publications and resources	4,003	5,246
Rent	3,000	3,000
Education	2,658	177
Insurance	2,443	4,482
Telephone	790	1,898
Amortization	497	676
Memberships	360	65
Travel	110	29
Bank charges	27	239
Fundraising	0	0
	<u>136,205</u>	<u>111,609</u>
Excess (shortfall) of revenues over expenditures for the year	<u>\$ 35,121</u>	<u>\$ (2,091)</u>



Thank You to our Donors

The Southern Alberta Land Trust Society receives financial support from many sources. The donations from individuals, governments, corporations and granting organizations help us to continue our work in protecting water, wildlife and heritage in southern Alberta.

We would like to extend our sincere thanks to the following donors who assisted us in 2010.

Patron

\$25,000 or more

Hanen Society for Resource Conservation
Mountain Equipment Coop

Benefactor

\$15,000 to \$24,999

The Calgary Foundation

Sustaining Partner

\$5,000 to \$14,999

Community Spirit Program, Govt. of Alberta
Justin Thompson

Partner

\$1,000 to \$4,999

Environment Canada - Cdn Land Trust Alliance
Dean and Joan Sandham
Resverlogix (Stella Thompson)
John and Jillian Lawson
Lauchlan Currie
Fanwood Foundation

Supporter

\$500 to \$999

Cody Bateman
Walter Muscoby
Dave Fowles
Darryl Scase



Contributor

\$100 to \$499

Francis and Bonnie Gardner
David Shaw
Lorne Fitch
Cheryl Bradley
Shirley and Bill Sara
Jim Dinning
Donald Gardner
Rick Roberts
Bill Mowatt
Ken Hughes
Jim Smith
Heidi Eijgel
Kelly and Glen Hall
Alan Gardner
Sid and Marjorie Cook
Graham Greenlee
Louise West
Dirk de Graaf
Ian Cartwright
Mac and Renie Blades
Keith and Bev Everts

Friends and Members

Our thanks also to all the friends and members of SALTS who contribute time and money so that we may continue our conservation efforts.



In Appreciation

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 and financial support. Thank you. Your understanding, your patience, and your dedication to conservation is greatly appreciated.



Photo Credits: Alan Gardner

Photos show details and vistas on and around landscapes on which conservation easements are held by SALTS, including MX Ranch, Cloudy Ridge Ranch, the Russell lands, Thompson lands, Sara lands, Freeman lands, and the Eijgel and Glass lands, plus a photo from Pekisko Creek.

Contact

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

www.salts-landtrust.org

salts_ed@shaw.ca

403-282-7011

SOUTHERN ALBERTA LAND TRUST SOCIETY

FINANCIAL STATEMENTS

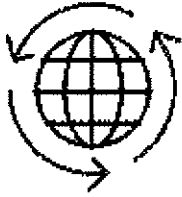
OCTOBER 31, 2010

SOUTHERN ALBERTA LAND TRUST SOCIETY

TABLE OF CONTENTS

OCTOBER 31, 2010

	Page
Auditors' Report	1
Financial Statements	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10



SCASE & PARTNERS
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, 2010 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, 2010, 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 27, 2011

Professional Accountants

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED OCTOBER 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 376,261	\$ 426,795
Accounts receivable	2,921	2,664
Prepaid expenses	1,284	1,077
	<u>380,466</u>	<u>430,536</u>
CONSERVATION EASEMENTS (Note 3)	8,047,209	7,476,754
OTHER INVESTMENTS	27	27
PROPERTY AND EQUIPMENT (Note 4)	<u>1,725</u>	<u>2,222</u>
	<u>\$ 8,429,427</u>	<u>\$ 7,909,539</u>

LIABILITIES AND NET ASSETS

CURRENT		
Accounts payable and accrued liabilities	\$ 9,865	\$ 8,560
Deferred revenue	0	61,538
	<u>9,865</u>	<u>70,098</u>
NET ASSETS		
Invested in capital assets	1,725	2,223
Restricted for conservation easements	8,047,210	7,476,754
Externally Restricted (Note 5)	191,377	219,464
Internally restricted (Note 6)	63,074	63,074
Unrestricted	116,176	77,926
	<u>8,419,562</u>	<u>7,839,441</u>
	<u>\$ 8,429,427</u>	<u>\$ 7,909,539</u>

Approved by Board of Directors

Director

Director

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED OCTOBER 31, 2010

	2010	2009
Revenues		
Contributions		
Grants and donations - other	\$ 75,912	\$ 67,752
Corporate and foundations	30,893	950
Individuals	21,601	20,074
Government	12,980	3,719
Unreceipted donations	12,570	1,625
	<u>153,956</u>	<u>94,120</u>
Income from Calgary Foundation (Note 7)	15,851	13,264
Event revenue	838	1,123
Interest	306	536
Membership	375	475
	<u>171,326</u>	<u>109,518</u>
Expenditures		
Salaries and contracted services	86,791	87,602
Grants-Calgary Foundation	25,000	
Professional fees	6,400	6,761
Office expense	4,125	1,434
Publications and resources	4,003	5,246
Rent	3,000	3,000
Education	2,658	177
Insurance	2,443	4,482
Telephone	790	1,898
Amortization	497	676
Memberships	360	65
Travel	110	29
Bank charges	27	239
Fundraising	0	0
	<u>136,205</u>	<u>111,609</u>
Excess (shortfall)		
of revenues over expenditures for the year	<u>\$ 35,121</u>	<u>\$ (2,091)</u>

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED OCTOBER 31, 2010

	Invested in capital assets \$	Restricted for conservation easements \$	Externally restricted \$	Internally restricted \$	Unrestricted \$	2010 Total \$	2009 Total \$
Net assets, beginning of year	2,223	7,476,754	219,464	63,074	77,926	7,839,441	6,410,532
Excess (deficiency) of revenue over expenses			(17,163)	0	52,285	35,122	(2,091)
Amortization	(497)				497	0	
Donation of conservation easements		545,000				545,000	1,431,000
Maintenance of easements		25,456	0		(25,456)	0	
Transfers between Funds			(10,923)		10,923	0	
Net assets, end of year	1,726	8,047,210	191,378	63,074	116,175	8,419,563	7,839,441

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED OCTOBER 31, 2010

	2010	2009
Cash flows from operating activities		
Excess (Shortfall)of revenues over expenditures for the year	\$ 35,121	\$ (2,091)
Item not affecting cash		
Ecological donations	497	676
Amortization	<u>497</u>	<u>676</u>
	<u>35,619</u>	<u>(1,414)</u>
Net change in non-cash working capital items		
(Increase) decrease in accounts receivable	(257)	9,861
(Increase) decrease in prepaid easement expenses		
(Increase) decrease in prepaids	(207)	2,433
(Increase) decrease in investments		
Increase (decrease) in accounts payable and accrued liabilities	1,304	(34,833)
Increase (decrease) in deferred contributions	(61,538)	61,538
	<u>(60,698)</u>	<u>38,999</u>
Cash flows from financing and investing activities		
Purchase of conservation easements	(545,000)	(1,431,000)
Ecological donations	545,000	1,431,000
Easement maintenance costs	(25,456)	(20,330)
Purchase of property and equipment	<u>(25,456)</u>	<u>(20,330)</u>
Change in cash and cash equivalents during the year	(50,535)	17,255
Cash and cash equivalents, beginning of year	<u>426,795</u>	<u>409,539</u>
Cash and cash equivalents, end of year	<u><u>376,260</u></u>	<u><u>426,795</u></u>
Cash and cash equivalents consists of		
Bank balances	376,261	426,795
Guaranteed Investment Certificates	0	0
	<u>\$ 376,261</u>	<u>\$ 426,795</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, 2010

1) Purpose of the 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) Basis of Accounting

In accordance with Canadian generally accepted accounting principles the financial statements have been prepared using the going concern assumption, which assumes that the Society will be able to realize its assets and discharge its liabilities in the normal course of operations.

The capital management policy of the Society has been to ensure that there are sufficient funds available to support and defend the easements that have been placed on certain lands and carry out such other projects in the course of its operations that are an enhancement to its conservation mandate.

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2010

3) 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.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

Property and equipment

Property and equipment 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

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2010

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.

Financial instruments

The Society's classes all financial instruments as trading and they are therefore carried at their fair market value. Unrealized gains and losses on trading assets, if any, are recognized as part of the excess of revenue over expenses.

Financial instruments not classified as trading are accounts receivable which are classified as loans and receivables and accounts payable. These instruments are accordingly carried at cost.

4) Property and equipment

	Cost \$	Accumulated Amortization \$	2010 Net \$	2009 Net \$
Office equipment	7,251	5,642	1,609	2,011
Computer equipment	13,822	13,706	116	212
	<u>21,073</u>	<u>19,348</u>	<u>1,725</u>	<u>2,223</u>

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2010

5) Externally Restricted

	Watershed Video \$	Water Testing Protocol \$	SES,LUF Landown \$	Conservation Value \$	Hanen Conservation \$	SFS3 \$	Headwaters Tail Ride \$	Lundbreck Corridor \$	Total \$
Opening Balance	15,274	129,617	0	6,169	34,179	34,235		(10)	219,464
Foundations									
Other charities					35,000				35,000
Deferred revenue									0
Donations								12,500	12,500
	15,274	129,617	0	6,169	69,179	34,235		12,490	266,964
Expenses	(6,088)	(441)	(2,530)	(1,838)	(34,507)	(1,287)	(64)	(17,909)	(64,664)
Transfers	(9,186)		2,530	(4,331)			64		(10,923)
End Balance	0	129,176	0	0	34,672	32,948	0	(5,419)	191,377

In fiscal 2010:

- a) Funds received from Samuel Hanen Conservation Society in the amount of \$35,000.
- b) Funds received from other various sources in the amount of \$12,500
- c) The Society is expecting the \$12,500 additional funding on Lundbreck Corridor from MEC within the 1st quarter of year 2011.

6) Internally restricted

At October 31, 2010, the restricted bank balance was \$63,074. The income from this fund is to be restricted as well. The interest earned of \$306 was immaterial to add into the balance. 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.

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2010

7) Income from The Calgary Foundation (TCF)

During the year, the Society received \$15,851 of investment income (2009 - \$13,264) 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 a minimum of 3% of the market value of the fund annually. Also during the year, the Society gave grants to The Calgary Foundation for \$25,000 and any income derived from this grant will be distributed to the Society.

8) Financial instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. The fair market value of these financial instruments approximates their 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.

9) Commitments

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