



Southern Alberta Land Trust Society  
Stewardship is our Nature

# Annual Report

Progress and Potential

March 2012

[www.salts-landtrust.org](http://www.salts-landtrust.org)





# 2012 Annual Report Contents

1. President's Message
2. Organization and Governance
3. Treasurer's Report
4. Secretary's Report
5. Executive Director's Report
6. Audited Financial Statements

Presented at:  
SALTS' Annual General Meeting  
High River, Alberta



## President's Message

Land trusts are engaged in a very complex and long-term business. Unlike many charitable organizations, we don't have the luxury of taking a holiday or closing up shop during periods when fundraising is difficult or staff hard to find. The people who have donated conservation easements to us expect that we will continue to protect the land in perpetuity in accordance with the easement Agreement. It is a trust that SALTS understands and takes very seriously. That is why we have built a strong foundation under the organization and continue to strengthen it as we evolve.



In building this solid foundation under SALTS we continue to focus on three areas: governance, finances, and operations. The past year has seen progress in all three of these areas.

In the area of governance we continue to refine and improve our procedures, advised by a new Advisory Group of highly qualified people with expertise in governance, law, local government, business and finance. This group, coordinated by Director Dave Fowles, will be meeting regularly and giving us advice on how to move to the next level of competency. They will challenge us and help us meet our goal of being the premier land trust in Alberta.

In the area of finances we continue to maintain a strong balance sheet, keep expenses under tight control, and improve our fundraising capability. Our donor database system has been improved and will provide the foundation for maintaining contact with a larger group of individual and corporate donors. We have also created a new set of collateral to help communicate our message with existing and potential donors. Thanks go to our fundraising committee chaired by Director Lauchlan Currie, and the many individual and corporate donors that have helped out with donations; dollars that will be matched by various other programs.

On the operations side, the focus this past year has been on ensuring that our existing conservation easements are effectively monitored and that our procedures and protocols are top notch. Discussions on potential new easements continue with several families that are interested in conservation and protecting their land. More details can be found in the Executive Director's report.





Our volunteer Board has done a great job this past year, providing support and guidance to the organization, and helping out with projects. A good example was the work of Director Kelly Hall with the Ecotone project held in cooperation with people from the University of Lethbridge. Other directors have volunteered extra time and arranged meetings with local government councils. Thanks to all of them for their time and dedication.

We look forward to cooperating with landowners and local government in experimenting with market-based incentives introduced under the new Alberta Land Stewardship Act. These tools should help to improve land use planning by providing additional options for planners and land trusts. We need good planning to ensure that our key assets such as water, biological productivity, and viewsapes, are not lost due to the continued pressure from rural residential and other development projects.

SALTS is getting better every year as we continue our work to conserve watersheds, ensure healthy wildlife habitat, and protect our western heritage of land stewardship.

Craig Smith  
President





## Organization and Governance

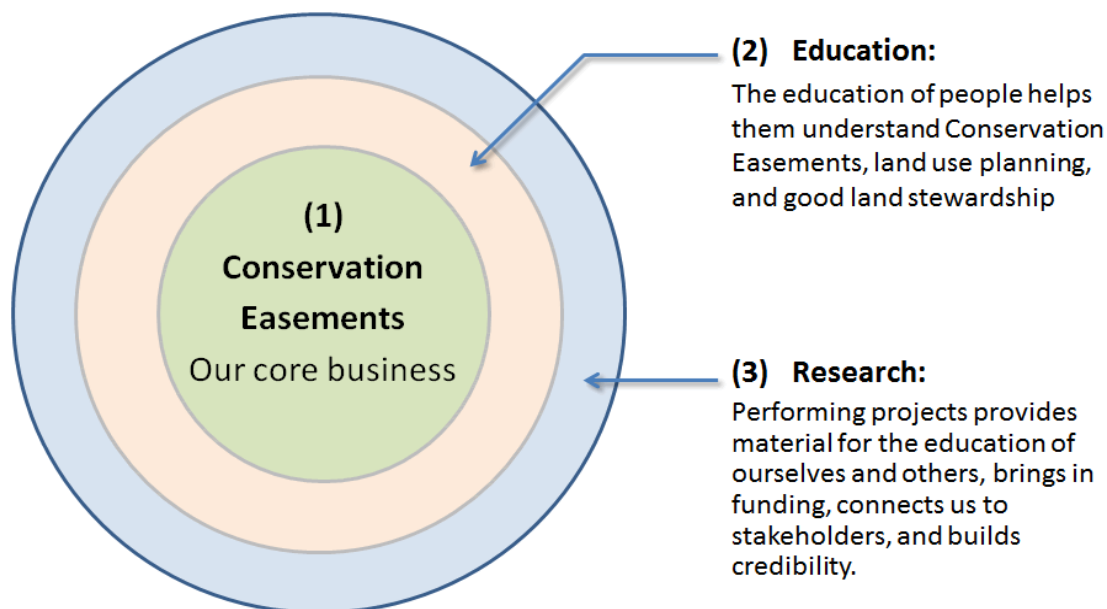
The Southern Alberta Land Trust Society (SALTS) is organized as a non-profit society in Alberta and has Federal charitable status. SALTS was incorporated in 1998 and operates under the direction of a volunteer Board of Directors.

Over the past year our capable Board of Directors included:

Craig Smith	President
John Cross	VP and Treasurer
Phil Rowland	Secretary
Mac Blades	Director
Kelly Hall	Director
Lauchlan Currie	Director
Dave Fowles	Director

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. Our goal is to conserve and protect watersheds, wildlife habitat and connectivity, and our western heritage of good land stewardship. We work closely with the ranching community that exemplifies this western heritage.

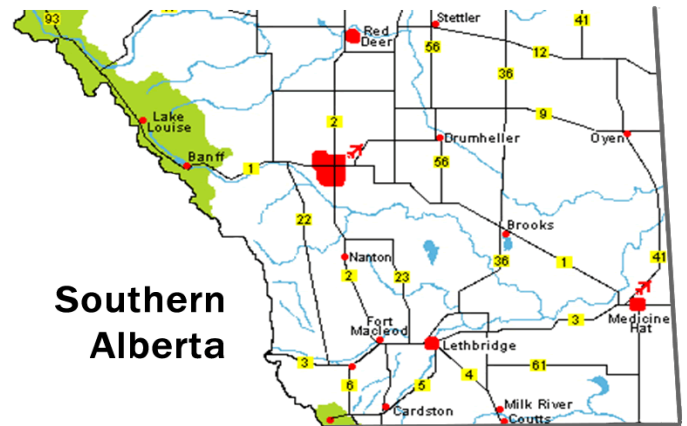
As a land trust, the core business of SALTS is the acceptance and monitoring of conservation easements. This is a complex and very long-term business that requires a multitude of skills as well as a strong and stable funding model. Around this core business we engage in educational activities as well as research projects as shown in the following illustration.







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 grass prairie that helped support herds of Bison. The entire area includes some of the last remaining native fescue grassland in North America.



The Board operates as an active policy Board, assisting with various aspects of our business and setting policy to guide operations. In addition, we now have a volunteer Advisory Group of professional people with a background in governance, business, law, local government and finance. This Advisory Group will be advising us on how to improve our governance structures, procedures, and operational oversight.





## Treasurer's Report

For the Fiscal Year ended October 31, 2011

The Southern Alberta Land Trust Society continues to manage its finances with care and thrift. As a result we have maintained a healthy level of working capital despite the generally poor investment climate and reduced returns due to historically low interest rates. This financial environment has meant a reduced level of personal giving to many charities.

The audited financial statements, prepared by Scase and Partners, (attached below) shows a drop in current cash assets from \$126,015 to \$112,826 from the previous year but this is expected and not seen as serious. On the income statement, the drop in grants and donations is mainly due to an accounting adjustment. On the expenditure side, when the increase in deposits to The Calgary Foundation is taken into account our expenses have been essentially flat.

During the past year we have met our obligations to monitor our existing conservation easements and we are committed to ensuring the funding is in place to continue this essential aspect of our business. We are continuing the policy of depositing funds with The Calgary Foundation for every new conservation easement accepted. Our stream of income from that investment continues to increase.

In addition, we have a separate legal defense fund and continue to augment this fund each time a new conservation easement is accepted. This fund is in short-term investment certificates.







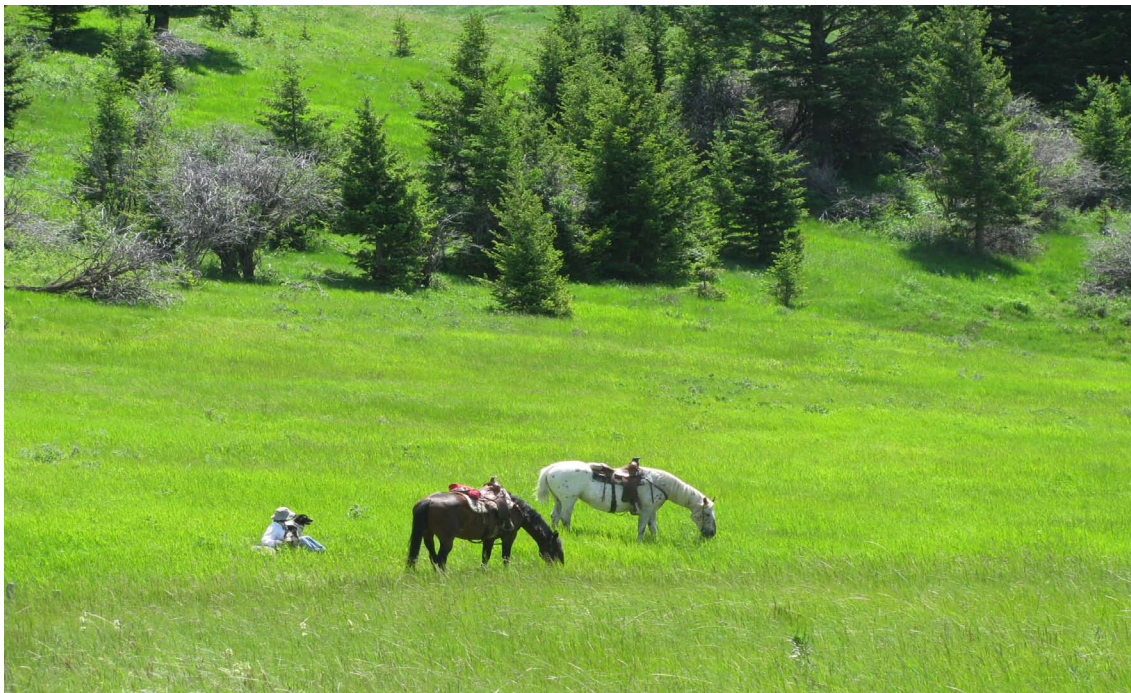
SALTS has weathered the economic trials of the last few years in very good condition. While many charities have been hard hit by a reduction in available donations and grants, and those with endowment funds have suffered from reduced returns, SALTS has benefitted from its strong cost-containment policies carried out over the past several years.

We continue to be challenged to find funding for basic operations and for new conservation easements. With the historically low interest rates, which are expected to last for some time, we have necessarily raised the amount of stewardship funds required for each new easement. With this added to the normal cost of putting an easement in place, we now need to raise approximately \$55,000 for each new conservation easement, not including office overhead. Fortunately, there are funding opportunities on the horizon that will assist with this effort.

Our funding committee, chaired by Lauchlan Currie, has done an excellent job of increasing corporate donations. In addition we continue to improve our donor database and are engaged in significant fundraising efforts related to the Rock Creek Conservation Initiative. This is an area in which we continue to improve.

Overall we can report a solid performance of controlling spending, increasing our fundraising capability, and maintaining a stable financial base for the organization.

John Cross  
VP and Treasurer







## Secretary's Report



Our membership has remained relatively steady over the past year. We currently have 33 lifetime members and 25 paid members. Lifetime membership is offered to people who have made significant contributions to SALTS, and to people who have donated a conservation easement.

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. Therefore, subsequent owners would have to purchase an annual membership.

Members are a key part of our success in the effort to conserve and protect watersheds, wildlife habitat, biodiversity, and our western heritage of good land stewardship. 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 Progress

The past year has been focused on several key aspects of our operations: improving our protocols and procedures for monitoring our existing conservation easements, using online records for wide accessibility, refining our standard conservation easement agreement, updating and improving our brochures and literature to support our messaging and fundraising efforts, and refining our financial control mechanisms. I can report that we have been successful in these endeavours. We also continue to develop new conservation easement opportunities and work on various projects. Despite the overall economic challenges of the past few years we continue to build SALTS into a premier land trust.



To run our business effectively we need expertise in legal contracts, land titles, easement agreements, land appraisals, knowledge of ecological values including botanical and biological systems, experience in managing contractors, and the ability to organize volunteers, create and carry out fundraising programs, and interface with governments and other NGO's. 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. And 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, and SALTS is meeting that challenge with hard work and creativity.





SALTS is the largest Alberta-based land trust and was one of the first land trusts to be established in Canada. After fourteen years we now have 24 easements encompassing some 11,400 acres. These easements are monitored on an annual basis. This past year we reviewed and improved our easement monitoring procedures and the related reporting forms. We now rely more heavily on photographic records than verbal accounts, taking many pictures and tying them to specific GPS locations. Our Garmin GPS is working very well and, when combined with our GIS software, is able to generate specific maps of inspection tracks with accurate waypoints for photographs, special features, invasive weed locations, and fence lines.

I am again happy to report that there were no major problems or challenges to our existing conservation easements during the past year. Our thanks go to the landowners who demonstrate a continued high level of stewardship.

Our online information system is working well. As a part of our website, it is accessed through a password authentication system, unique to each user, that allows Directors and staff access to information about our conservation easements, landowners, notices, meeting agendas and minutes, financial records, strategy papers, bylaws, office forms, contact lists, maps, and other information about SALTS, its governance and operations. With browser-enabled smartphones, tablets and laptops, we can access key information from almost anywhere as needed.



We continue to improve our use of 21st Century technology to enhance our efficiency and effectiveness.

The conservation easement agreement is a contract between a landowner and SALTS which is subsequently registered on title and binds all future owners of that property. It is critical that this agreement be clear as well as flexible, and create no basis for a challenge. As such we have continued to hold discussions with various people, including lawyers, to review the terms of the agreement and ensure that it is legally solid. I am happy to report that our review has not found any real weaknesses or problems.

The business of a land trust is not just complex but very long term. It is also expensive as the expertise required to operate the business successfully is significant whether this expertise is in-house or accessed through external consultants.

In order to promote SALTS and our work, get our message out to the public and do effective fundraising, we have needed an improved set of promotional brochures, handouts, presentations and other material.

This past year we worked to create just such a set of collateral. We refined our message, wrote scripts, combined this with high-quality photographs (mostly from our own easements), and created a package of promotional and educational material. Our staff and Directors now have a very professional set of handouts.





SALTS continues to maintain tight financial control over expenses. All donations and expenses are signed off by the appropriate person and a clear paper trail is created to ensure that all money coming into and leaving the organization is accounted for. We use 'Classes' in our accounting software to track project expenses and our books are audited annually. Despite the current economic climate which has resulted in poor returns on investment and a difficult fundraising situation, we continue to maintain a healthy balance sheet.

Our greatest financial challenge is finding funding for new conservation easements. The placement cost for a new easement is in the order of \$20,000 plus another \$35,000 in stewardship money and this does not include office overhead. This means that we need to raise at least \$55,000 to accept the donation of an average-sized easement. Raising this money is a significant challenge even with potential new government dollar-matching programs. We are therefore very appreciative of all donations, and especially personal donations that generate the most matching dollars.







## Projects and Outreach

The report on the history and biology of the Pekisko Creek Valley was completed. This 200 page report is fascinating reading and provides a basis for more work in that valley. Dr. Gerald Conaty of the Glenbow Institute, Dr. Warren Elofson and Dr. George Colpitts of the University of Calgary researched and wrote about the pre-contact and post-contact history, and Rick Rowell of Ottenbreit-Rowell did the ecological and wildlife fieldwork and report.

The Rock Creek Conservation Initiative is a new project that is focused on protecting a known north-south wildlife corridor in the Lundbreck area that connects the Castle-Crown Wilderness area to the Livingstone Range and Bob Creek Wildland. Preliminary work of research and mapping over several years has primarily been done by the Miistakis Institute and Justin Thompson. The Road Watch program of Miistakis identified areas of high collision rates between animals and vehicles along Highway 3, and automatic cameras captured pictures of wildlife movement in the corridor. This area for wildlife is under significant threat due to housing development in the Burmis-

Lundbreck Corridor. Recently the Alberta Government invested almost \$1 million in purchasing a key property in the corridor near the highway. Several conservation easements have already been donated. Much further work, and financial investment, will be required to protect this important wildlife corridor into the future.

We have instituted a program of doing presentations to the Councils of Municipal Districts and Counties in southern Alberta. A short presentation about SALTS and aspects of the Land Use Framework tools enables us to educate councilors about our history and capability, our potential role in land use planning, and the use of market-based instruments. Over the next year we expect to continue this outreach initiative to make SALTS much more widely known.

In summary, the past year has been one of strengthening our foundation and preparing for a very positive-looking future.

Alan Gardner  
Executive Director





## 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 natural ecosystems and the ecological services they provide. 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 where SALTS works. Our thanks to the landowners including the Thompson, Sandham, Dover, Lawson, Freeman, Main, Russell, Copp, Sara, Gatto, West, Chernoff, and Cook families.

### Contact

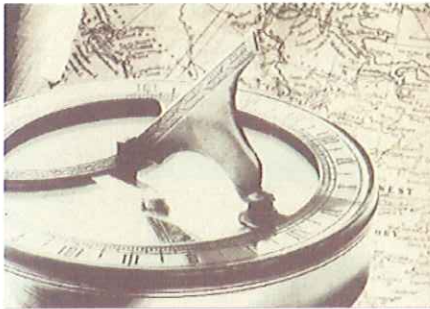
Please feel free to contact us if you have questions about SALTS and Conservation Easement, or if you wish to make a donation.

[www.salts-landtrust.org](http://www.salts-landtrust.org)

[salts\\_ed@shaw.ca](mailto:salts_ed@shaw.ca)

403-282-7011





# Scase & Partners

Professional Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
The Southern Alberta Land Trust Society,

We have audited the financial statements of The Southern Alberta Land Trust Society, which comprise the statement of financial position as at October 31, 2011 and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

---

Suite 32, 2333 18<sup>th</sup> Avenue NE, Calgary Alberta. T2E 8T6

Ph: 403-735-0735 Fax: 403-735-2377


[www.scaseandpartners.com](http://www.scaseandpartners.com)

Partners are members of the CGA Association of Alberta

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Southern Alberta Land Trust Society as at October 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards.

Calgary, Alberta  
February 6, 2012

A handwritten signature in cursive script that reads "Scase & Partners".

Professional Accountants



# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED OCTOBER 31, 2011

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 109,247	\$ 121,810
Accounts receivable	2,295	2,921
Prepaid expenses	<u>1,284</u>	<u>1,284</u>
	112,826	126,015
<b>RESTRICTED CASH AND CASH EQUIVALENT (Note 4)</b>	240,519	254,451
<b>CONSERVATION EASEMENTS (Note 3)</b>	9,901,992	8,047,209
<b>OTHER INVESTMENTS</b>	0	27
<b>PROPERTY AND EQUIPMENT (Note 5)</b>	<u>1,351</u>	<u>1,725</u>
	<u>\$ 10,256,687</u>	<u>\$ 8,429,427</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ <u>6,000</u>	\$ <u>9,865</u>
<b>NET ASSETS</b>		
Invested in capital assets	1,351	1,725
Restricted for conservation easements	9,901,992	8,047,210
Externally Restricted (Note 6)	165,519	191,377
Internally restricted (Note 7)	75,000	63,074
Unrestricted	<u>106,825</u>	<u>116,176</u>
	<u>10,250,687</u>	<u>8,419,562</u>
	<u>\$ 10,256,687</u>	<u>\$ 8,429,427</u>

Approved by Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED OCTOBER 31, 2011

	2011	2010
<b>Revenues</b>		
Contributions		
Grants and donations - other	\$ 39,525	\$ 75,912
Corporate and foundations	7,000	30,893
Individuals	35,330	21,601
Government	15,381	12,980
Unreceipted donations	1,000	12,570
	<u>98,236</u>	<u>153,956</u>
Income from Calgary Foundation (Note 7)	19,540	15,851
Event revenue	0	838
Interest	2,316	306
Membership	875	375
	<u>120,967</u>	<u>171,326</u>
<b>Expenditures</b>		
Salaries and contracted services	86,654	86,791
Grants-Calgary Foundation	31,000	25,000
Professional fees	9,052	6,400
Office expense	4,710	4,125
Rent	4,279	3,000
Publications and resources	3,335	4,003
Insurance	2,700	2,443
Telephone	1,160	790
Amortization	374	497
Memberships	360	360
Travel	89	110
Bank charges	78	28
Education	50	2,658
	<u>143,842</u>	<u>136,205</u>
<b>Excess (shortfall)</b>		
of revenues over expenditures for the year	\$ <u>(22,875)</u>	\$ <u>35,121</u>



# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED OCTOBER 31, 2011

	Invested in capital assets \$	Restricted for conservation easements \$	Externally restricted \$	Internally restricted \$	Unrestricted \$	2011 Total \$	2010 Total \$
Net assets, beginning of year	1,726	8,047,210	191,378	63,074	116,175	8,419,563	7,839,441
Excess (deficiency) of revenue over expenses			(25,858)	-	2,983	(22,875)	35,122
Amortization	(374)	-			374	-	
Donation of conservation easements		1,854,000				1,854,000	545,000
Maintenance of easements		5,528	-		(5,528)		
Recovery of easement expenses		(4,745)	-		4,745	-	
Transfers between Funds			-	11,926	(11,926)	-	
Net assets, end of year	1,352	9,901,993	165,520	75,000	106,823	10,250,688	8,419,563

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED OCTOBER 31, 2011

	2011	2010
<b>Cash flows from operating activities</b>		
Excess (Shortfall) of revenues over expenditures for the year	\$ (22,875)	\$ 35,121
Item not affecting cash		
Ecological donations		
Amortization	374	497
	<u>(22,501)</u>	<u>35,619</u>
<b>Net change in non-cash working capital items</b>		
(Increase) decrease in accounts receivable	626	(257)
(Increase) decrease in prepaid easement expenses		
(Increase) decrease in prepaids	0	(207)
(Increase) decrease in investments		
Increase (decrease) in accounts payable and accrued liabilities	(3,866)	1,304
Increase (decrease) in deferred contributions	0	(61,538)
Increase (decrease) in other investment		
	<u>(3,240)</u>	<u>(60,698)</u>
<b>Cash flows from financing and investing activities</b>		
Purchase of conservation easements	(1,841,000)	(545,000)
Ecological donations	1,841,000	545,000
Easement maintenance costs	(783)	(25,456)
Fund received from other investment	29	
	<u>(754)</u>	<u>(25,456)</u>
<b>Change in cash and cash equivalents during the year</b>	<b>(26,495)</b>	<b>(50,535)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>376,261</b>	<b>426,795</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>349,766</u></b>	<b><u>376,261</u></b>
<b>Cash and cash equivalents consists of</b>		
Bank balances	274,766	376,261
Guaranteed Investment Certificates	75,000	0
	<u>\$ 349,766</u>	<u>\$ 376,261</u>

The accompanying notes form an integral part of these financial statements