



Southern Alberta Land Trust Society  
Stewardship is our Nature

# Annual Report

Progress and Potential

March 2013



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



# 2013 Annual Report Contents

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



## President's Message

I would like to thank the members and the board for the opportunity to be president of SALTS for the past year. It has been a year of growth and opportunity. With the donation of two new conservation easements in the Rock Creek corridor we continue to further our goal of protecting Alberta's water, wildlife and western heritage. New funding support from both business and government has provided opportunities that were not previously available.

SALTS was founded in 1998 and I have been a member of the board for seven years. About the time I joined the board the federal government was changing how it provided funding for habitat stewardship which reduced support for smaller land trusts such as SALTS. Some challenging times followed in which projects were undertaken to promote grassland research,



encourage good land use planning, and support funding for conservation easements. We were turning hardship into opportunity and one of the results of these initiatives was the successful Southern Foothills Study; Phase 3 of which is soon to be completed.

About a year and a half ago the provincial government, following the passing of the Alberta Land Stewardship Act (ALSA), created a new program to protect native grassland and wildlife habitat. This is called the Alberta Land Trust Grant Program and provides incentives to land trusts and private land owners to place conservation easements on appropriate landscapes. We would like to thank the rangeland management branch of ESRD for this program which has already produced good results. Under this program SALTS coordinated the placement of two easements in 2012 and is working on four more opportunities.

SALTS now has 26 easements and monitoring the health of these easements is a key part of our work. It is a big job each year to visit these easements covering more than 11,600 acres. A tip of the hat to our landowner partners who are keeping their easement property in good condition.

Any charitable organization relies on the generosity of donors and SALTS is very appreciative of the people and companies that have provided funding, notably Lauchlan Currie, the Samuel Hanen Society for Resource Conservation, ARC Financial, ARC Resources, Royal Bank RBC Foundation, Bryan Clarke, W. Brett Wilson and David Glass, CIBC World Markets, Firstenergy Capital, Pekisko Creek Ranch and Cattle Company, Bill Mowatt and others. Without their support we would not be able to protect Alberta's treasured landscapes.





I would like to thank the volunteer board for their time and energy. It is great working with them all. Joyce Greenfield joined the board in 2012 and brought knowledge of environmental assessment protocols. Phil Rowland is stepping off the board this year to deal with other commitments and we thank him for his six years of service to SALTS. His knowledge and connections have been of great benefit and we hope he will stay in touch.

As an organization we need to improve our exposure to the public and landowners. To this end we have been refining our messaging, revisiting our vision statement, and discussing how best to get the message out. Our mission is built around the goal of protecting “water, wildlife and western heritage in southern Alberta.” During the year we made presentations to several municipal district councils and will continue to do so. As part of this initiative we have also developed an ad for the Cowboy Trail summer handout.

One of my goals has been to establish stable funding for SALTS. Through much hard work by staff and the board we expect that in the next year or so SALTS will have enough stewardship funds in place to maintain the existing easements. This is a good start but we also need to bulk up our Legacy Fund for general operations. There will be many opportunities to place new conservation easements in the next few years and SALTS will need to examine how we meet this challenge with respect to funding and staffing. In addition there are other projects for protecting the landscape that will demand our time including finishing the next phase of the Southern Foothills Study.

The future of SALTS is very positive. The challenges we face are those we would like to have: managing the addition of new easements, maintaining our record of good financial management, improving the public’s perception of us and our work, and continuing to be a premier land trust.

John Cross, President





## Organization and Governance

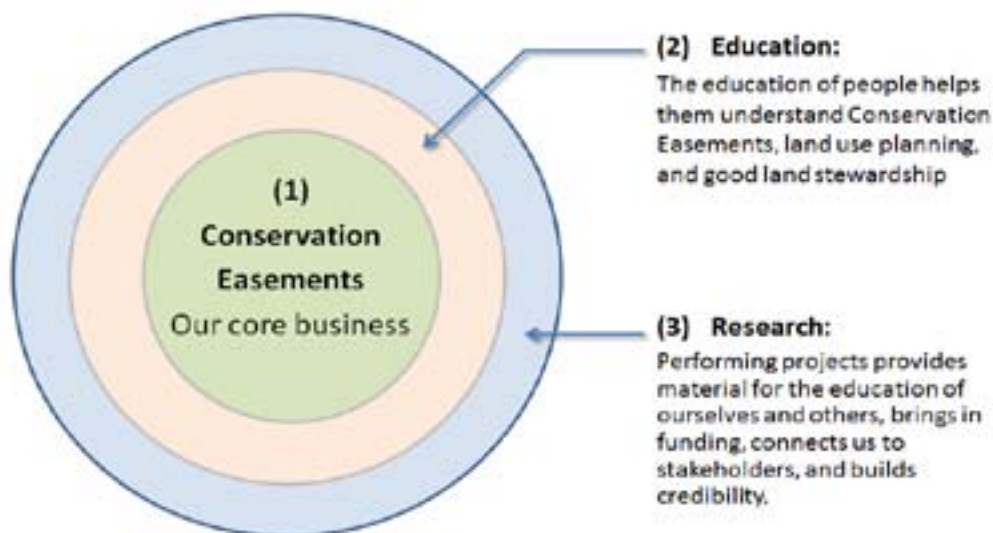
The Southern Alberta Land Trust Society (SALTS) is organized as a non-profit society in Alberta and has Federal charitable status. SALTS was incorporated as a Society in 1998 and operates under the direction of a volunteer Board of Directors. The Board members come from both rural and urban backgrounds and bring a variety of experience and skills to the table. Their dedication is very much appreciated.

Our capable Board of Directors included:

John Cross	President
Kelly Hall	Vice-president
Phil Rowland	Secretary Treasurer
Craig Smith	Past-president
Mac Blades	Director
Lauchlan Currie	Director
Dave Fowles	Director
Joyce Greenfield	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 our western heritage of good land stewardship. We work closely with the ranching community that exemplifies this western heritage.

As illustrated in the following diagram, 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 strong management and a stable funding model. Around this core business we engage in educational activities as well as research projects that complement the placing of easements, provide scientific knowledge, and help us engage with landowners





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 in the past. 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.







# Financial Report

For the Fiscal Year ended October 31, 2012

The Southern Alberta Land Trust Society continues to manage its finances in a prudent and careful manner. Despite a challenging environment for charitable giving, especially for environmental conservation groups, we maintain a healthy level of working capital. The low interest rate regime and difficult investment climate has minimized the return on our funds at The Calgary Foundation but this has not impacted our project and easement initiatives.

The audited financial statements, prepared by Scase and Partners and attached at the end of this annual report, shows an increase in current cash assets to \$126,497 this past year compared to \$109,247 for the previous year. The two new Rock Creek conservation easements were finalized after the close of the fiscal year end and so do not appear on this statement.

The Statement of Operations, or Income Statement, shows a reasonable increase in grants and donations over the previous year. One very bright spot is the increase in corporate donations due to the efforts of the Fundraising Committee headed by Lauchlan Currie. We also benefitted with a grant of over \$11,600 from the Community Spirit Program that partially matched personal donations. That program has now been cancelled in the most recent provincial budget so will no longer be a source of funding in the years to come. Fortunately, the Alberta Land Trust Grant Program is providing support for the placement of conservation easements that protect native grasslands and wildlife habitat.





During the past year it was a pleasure 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, irrespective of the vicissitudes of charitable giving. 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. While we have had no challenges to any of our easement, building this fund to a healthy level is considered prudent to ensure against future risks. With the current low level of interest rates likely to remain for the foreseeable future we may need to examine how this fund is invested.

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

Phil Rowland, Treasurer







## Secretary's Report



A key role of the Secretary is to ensure that the records of SALTS are in good order. I am happy to report that copies of most of our records for the past several years have been stored on our website and are accessible to any board or staff member with access to the internet. The site includes board and committee agendas and minutes, financial statements, budgets, strategy papers, conservation easement documents and contact logs, and other records important to the management of the organization. This does not obviate the need for paper records, but does provide accessibility from almost anywhere, and a backup copy for the most critical information.

In addition, our electronic records and website are backed up to offline storage in order to protect further against unexpected loss due to computer failure or virus attacks.

SALTS is moving to a 21st century model where a person in the field who has a tablet with a wireless connection can access all necessary information about one of our easements, and update the record in real time. In this we are at the forefront of using technology to improve our efficiency and flexibility.

Our membership has remained relatively steady over the past few years. We have both lifetime members and annual members, all of who can attend the AGM and vote for directors and other motions.

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 the success of SALTs in its effort to conserve and protect watersheds, wildlife habitat and our western heritage of good land stewardship. We thank all the members who have participated, volunteered, and provided funding for our work.

Phil Rowland, Secretary



# Operations Report

Alan Gardner, Executive Director

## A Year of Success

This past year has been a very productive one for SALTS. In building a solid foundation under SALTS we continue to focus on three areas: governance, finances and operations. The past year has seen important progress in all three of these areas. 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, and organizations and people that have helped to fund these easements, 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 our organization and continue to strengthen it as we evolve.

In the area of governance we continue to refine and improve our procedures and protocols. Our volunteer Board has been reviewing our vision and mission statement and working to ensure that our focus as an organization is appropriate, and that our financial structure is sustainable.

From an operations standpoint we continue to improve the protocols and structures that ensure that our easements are properly monitored, our financial systems are robust and transparent, our protocols and methods for accepting new conservation easements are clear and followed, and projects are effectively managed.





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 26 easements encompassing some 11,680 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, mostly in 360 degree panoramas, 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.

On a financial front, SALTS develops a detailed budget during the first part of the fiscal year which is then approved by the Board at our January meeting. Variance from this budget is tracked and reported quarterly. All donations and expenses are signed off by an appropriate person to ensure a proper audit trail, and of course we are subject to an annual audit.

When working with a landowner on an easement donation all of the protocols for accepting or rejecting an easement are written in clear detailed language. There are points where the Board has the opportunity to review new applications, and the landowner is kept informed at every stage. All consulting work is done under contract according to a quoted sum.

In short, we have the procedures in place to ensure that the business of SALTS is carried out in a controlled fashion with as little risk as possible. It is this type of close management and attention to detail that will ensure the sustainability of SALTS far into the future.

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. We see them as our partners in protecting these treasured landscapes.







## Ecological Services

Land stewardship is a term that we at SALTS use to illustrate the concept that if you look after the land it will look after you. A past president of SALTS has said that:

“... by keeping a non-intensive land use in place, we take care of a whole range of other considerations: habitat, wildlife, scenery, ethics of production, family values; the list goes on and on, and for some reason it seems to be made up of items that contribute to the betterment of society and the quality of life.”

What is becoming more and more evident, is that the rangeland foothills are a critical watershed, and that keeping a non-intensive land use in place is the best way to ensure that this watershed remains productive. Fresh clean water production is one example of what is now termed Ecological Services. While the concept and terminology around Ecological Services is not finalized, people are beginning to understand that the value of these Services to a society, especially when available in abundance, can make the difference between a high standard of living or not.





As a land trust holding and monitoring conservation easements which maintain low-intensity land uses, one can say that SALTS is in the business of protecting the sources of Ecological Services. A question that is being posed more and more is whether society should be paying to protect these Ecological Services and, if so, what form should these payments take. Thus our panel topic for the current Annual General Meeting is focused on this question and the possible role of a land trust like SALTS in such a process.

Several years ago we found funding and completed a project that looked at how SALTS might develop a method of effectively managing what we called 'market-based conservation easements'. In essence it was a structure for paying landowners to maintain their land in such a manner as to maximize Ecological Services production. We believe that the organization structure and methodology explained in the paper is very valid and deals reasonably well with this complex challenge. We expect it will be part of the 'Payment for Ecological Services' (PES) discussion. A copy of the paper is on our website.

## Projects



The Rock Creek Conservation Initiative continues to be an important project. It 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 area. Preliminary work over several years has primarily been done by the Miistakis Institute and Justin Thompson. Several conservation easements have already been put in place and two more were donated to SALTS last December. We will be working with our partners to complete this corridor in the years to come.

A project of raising our profile and awareness in the public eye has been undertaken and is seen as very important to our long-term success. We are developing a publicity initiative with the first ad to be placed in the Cowboy Trail and Kananaskis publication this summer. This will mesh with upgrades to our website to ensure that our message is clear and our value to Alberta's water, wildlife and western heritage is understood. A program of press releases on news items is also in the works. We are looking for volunteers to help with this program.



## 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 Copp, Simmons, Yagos, Lawson, Main, Sara, Rowland, Russell, and MacEwan-Foran 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



**SOUTHERN ALBERTA LAND TRUST SOCIETY**

**FINANCIAL STATEMENTS**

**OCTOBER 31, 2012**

# **SOUTHERN ALBERTA LAND TRUST SOCIETY**

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# 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, 2012 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.

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**Basis for qualified opinion on the financial performance and cash flows**

The Southern Alberta Land Trust Society derives a portion of its revenues from donations, the completeness of which is not susceptible to audit verification. Consequently, we were unable to obtain sufficient appropriate audit evidence to support the completeness of donation revenue, and we were unable to determine whether any adjustments were necessary.


**Qualified opinion on the financial performance and cash flows**

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, the statement of income and statement of cash flows present fairly, in all material respects, the financial performance and cash flows of The Southern Alberta Land Trust Society for the year ended October 31, 2012, in accordance with Canadian accounting standards for not-for-profit organizations.

**Opinion on the financial position**

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, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
February 12, 2013  
May 31, 2013

  
Professional Accountants

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED OCTOBER 31, 2012

	2012	2011
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 135,497	\$ 109,247
Accounts receivable	2,725	2,295
Prepaid expenses	1,284	1,284
	<u>139,506</u>	<u>112,826</u>
<b>RESTRICTED CASH AND CASH EQUIVALENT (Note 4)</b>	<b>534,538</b>	<b>240,519</b>
<b>CONSERVATION EASEMENTS (Note 3)</b>	<b>9,901,992</b>	<b>9,901,992</b>
<b>PROPERTY AND EQUIPMENT (Note 5)</b>	<b>1,065</b>	<b>1,350</b>
	<u>\$ 10,577,101</u>	<u>\$ 10,256,687</u>

## LIABILITIES AND NET ASSETS

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 12,410	\$ 6,000
<b>NET ASSETS</b>		
Invested in capital assets	1,351	1,351
Restricted for conservation easements	9,901,992	9,901,992
Externally Restricted (Note 6)	458,410	165,519
Internally restricted (Note 7)	76,128	75,000
Unrestricted	126,809	106,825
	<u>10,564,690</u>	<u>10,250,687</u>
	<u>\$ 10,577,101</u>	<u>\$ 10,256,687</u>

Approved by Board of Directors

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED OCTOBER 31, 2012

	2012	2011
<b>Revenues</b>		
Contributions		
Government	\$ 61,016	\$ 15,381
Corporate and foundations	22,000	7,000
Individuals	21,755	35,330
Unreceipted donations	5,001	1,000
Grants and donations - other	3,940	39,525
	<u>113,712</u>	<u>98,236</u>
Income from Calgary Foundation (Note 9)	18,556	19,540
Interest	3,249	2,316
Membership	825	875
	<u>136,342</u>	<u>120,967</u>
<b>Expenditures</b>		
Salaries and contracted services	95,079	86,654
Professional fees	6,396	9,052
Office expense	4,408	4,710
Publications and resources	3,555	3,335
Insurance	2,425	2,700
Rent	1,828	4,279
Telephone	1,815	1,160
Travel	366	89
Memberships	360	360
Amortization	286	374
Meeting and events	216	0
Bank charges	182	78
Advertising	55	0
Grants-Calgary Foundation	0	31,000
Education	0	50
	<u>116,970</u>	<u>143,841</u>
<b>Excess (shortfall)</b>		
<b>of revenues over expenditures for the year</b>	\$ <u>19,372</u>	\$ <u>(22,874)</u>



# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED OCTOBER 31, 2012

	Invested in capital assets \$	Restricted for conservation easements \$	Externally restricted \$	Internally restricted \$	Unrestricted \$	2012 Total \$	2011 Total \$
<b>Net assets, beginning of year</b>	1,352	9,901,993	165,520	75,000	106,823	<b>10,250,688</b>	8,419,563
Excess (deficiency) of revenue over expenses			-		19,372	<b>19,372</b>	(22,875)
Amortization						-	
Net change on other externally restricted projects			(1,740)	-	1,740	-	1,854,000
ALTGP-Gov't grant (Note 6)			294,631			<b>294,631</b>	
Recovery of easement expenses						-	
Transfers between Funds			-	1,128	(1,128)	-	
<b>Net assets, end of year</b>	<u>1,352</u>	<u>9,901,993</u>	<u>458,411</u>	<u>76,128</u>	<u>126,807</u>	<b><u>10,564,691</u></b>	<u>10,250,688</u>

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED OCTOBER 31, 2012

	2012	2011
<b>Cash flows from operating activities</b>		
Excess (Shortfall) of revenues over expenditures for the year	\$ 19,372	\$ (22,875)
Item not affecting cash		
Ecological donations		
Amortization	286	374
	19,658	(22,501)
Net change in non-cash working capital items		
(Increase) decrease in accounts receivable	(430)	625
(Increase) decrease in prepaid easement expenses		
(Increase) decrease in prepaids	0	0
(Increase) decrease in investments		
Increase (decrease) in accounts payable and accrued liabilities	6,410	(3,866)
	25,638	(25,742)
<b>Cash flows from financing and investing activities</b>		
Purchase of conservation easements	0	(1,841,000)
Ecological donations	0	1,841,000
Easement maintenance costs	0	(783)
ALTGP-provincial government grants (net)	294,631	0
Fund received from other investment	0	29
	294,631	(754)
<b>Change in cash and cash equivalents during the year</b>	<b>320,269</b>	<b>(26,496)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>349,766</b>	<b>376,261</b>
<b>Cash and cash equivalents, end of year</b>	<b>670,035</b>	<b>349,766</b>
<b>Cash and cash equivalents consists of</b>		
Bank balances	593,907	274,766
Guaranteed Investment Certificates	76,128	75,000
	\$ 670,035	\$ 349,766

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, 2012**

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### **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 standards for not-for-profit organisations 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, 2012**

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### **3) Significant accounting policies**

#### **Use of estimates**

These financial statements are prepared in accordance with Canadian generally accepted accounting standards for not-for-profit organizations. When preparing financial statements according to ASNPO, the Association makes estimates and assumptions relating to:

- Reported amounts of revenue and expenses;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the organization may undertake in the future, and other assumptions that we believe are reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets and impairment of long-lived assets.

#### **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.



# SOUTHERN ALBERTA LAND TRUST SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2012

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### 3) Significant accounting policies, continued

#### 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

#### 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) Restricted cash

Cash that has been restricted from current use for general operating expenses is as follows:

	2012	2011
	\$	\$
Externally restricted projects	458,410	165,519
Internally restricted funding	<u>76,128</u>	<u>75,000</u>
	<u>534,538</u>	<u>249,519</u>

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2012

### 5) Property and equipment

	Cost \$	Accumulated Amortization \$	2012 Net \$	2011 Net \$
Office equipment	7,251	6,221	1,030	1,287
Computer equipment	13,822	13,787	35	63
	21,073	20,008	1,065	1,350

### 6) Externally Restricted

	Watershed Video \$	Water Testing Protocol \$	Grassland Restoration \$	ALTGP(Rock Creek Ph 2) \$	Hanen Conservation \$	SFS3 \$	Headwaters Tail Ride \$	Lundbreck Corridor \$	Total \$
Opening Balance	(30)	128,344	0	0	6,152	32,555		(1,503)	165,518
Gov't of Alberta				344,000					344,000
Other charities			2,000						2,000
Interest-ALTGP				631					631
Donations				0				0	
	(30)	128,344	2,000	344,631	6,152	32,555		(1,503)	512,149
Expenses	0	0	(1,700)	(50,000)	(2,213)	(1,060)	0	1,503	(53,470)
Transfers	30		(300)	0			0		(270)
End Balance	0	128,344	0	294,631	3,939	31,495	0	(0)	458,409

In fiscal 2012:

- Funds received from Alberta Land Trust Grant Project in the amount of \$344,000. This grant received from the Government of Alberta-Alberta Land Trust Program (ALTGP) for \$344,000 during the fiscal year and was deposited in a separate bank account as required by the grantor. Interest earned during the year was \$631 and added to the fund as per the

# **SOUTHERN ALBERTA LAND TRUST SOCIETY**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED OCTOBER 31, 2012**

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agreement. During the year, \$50,000 was transferred to corporate main account to defray operational expenses related to the project of which this fund was granted.

- b) Funds received from Hannen Society in the amount of \$2,000

### **7. Internally restricted**

At October 31, 2012, the restricted bank balance was \$76,128 and was invested in GIC. 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.

### **8. Income from The Calgary Foundation (TCF)**

During the year, the Society received \$14,044 of investment income (2011 - \$16,394) from the Calgary Foundation ("Foundation") related to a \$325,000 gift by the Society to the Foundation in 1999 through a 'Legacy Fund'. 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. During the fiscal year, the Society has not given any grant to The Calgary Foundation-Legacy Fund. The Society also received \$2,005 (2011 - 646) of investment income from the Calgary Foundation ("Foundation") related to a \$37,500 gift by the Society to the Foundation thorough as 'Stewardship Fund' and a grant of \$2,507 from the Daryl K Seaman stewardship fund. The Society did not give grant to the Calgary Foundation-Stewardship Fund during the fiscal year.

### **9. 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.