

**NOVA SCOTIA CROWN SHARE LAND
LEGACY TRUST**

Financial Statements

Year Ended January 31, 2010

**AC Hunter Tellier Belgrave Adamson
Chartered Accountants**

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Index to Financial Statements

Year Ended January 31, 2010

	Page
AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	2
Statement of Changes in Net Assets	3
Statement of Financial Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8

AC Hunter Tellier Belgrave Adamson
Chartered Accountants



Hunter Tellier Belgrave Adamson

CHARTERED ACCOUNTANTS

A Member Firm of The AC Group of Independent Accounting Firms Limited

AUDITORS' REPORT

To the Members of Nova Scotia Crown Share Land Legacy Trust

We have audited the statement of financial position of Nova Scotia Crown Share Land Legacy Trust as at January 31, 2010 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the company'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 require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at January 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Dartmouth, Nova Scotia
July 29, 2010

AC Hunter Tellier Belgrave Adamson
AC HUNTER TELLIER BELGRAVE ADAMSON
CHARTERED ACCOUNTANTS

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Statement of Revenues and Expenditures

Year Ended January 31, 2010

	2010	2009
REVENUE		
Crown share payments	\$ 3,523,628	\$ 8,652
Interest income	235,592	207,139
	3,759,220	215,791
GRANTS AND RELATED EXPENDITURES	3,493,268	-
GROSS PROFIT	265,952	215,791
EXPENSES		
Botanical fieldwork	10,720	-
Professional fees	10,100	2,778
Honorariums	5,850	5,850
Conference	2,979	-
Office	359	-
Memberships	250	-
Interest and bank charges	72	24
	30,330	8,652
EXCESS OF REVENUE OVER EXPENSES	\$ 235,622	\$ 207,139

See notes to financial statements
AC Hunter Tellier Belgrave Adamson
Chartered Accountants

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Statement of Changes in Net Assets

Year Ended January 31, 2010

	2010	2009
NET ASSETS - BEGINNING OF YEAR	\$ 207,139	\$ -
Excess of revenue over expenses	235,622	207,139
NET ASSETS - END OF YEAR	\$ 442,761	\$ 207,139

See notes to financial statements
AC Hunter Tellier Belgrave Adamson
Chartered Accountants

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST**Statement of Cash Flows****Year Ended January 31, 2010**

	2010	2009
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 235,622	\$ 207,139
Changes in non-cash working capital:		
Accounts receivable	166,351	(168,891)
Accounts payable and accrued liabilities	13,296	2,777
Deferred income	(3,523,628)	23,431,353
Promissory notes	3,109,487	(23,468,247)
	(234,494)	(203,008)
INCREASE IN CASH FLOW	1,128	4,131
Cash - beginning of year	4,131	-
CASH - END OF YEAR	\$ 5,259	\$ 4,131
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest paid	\$ 72	\$ 24
Income taxes paid	\$ -	\$ -

See notes to financial statements
AC Hunter Tellier Belgrave Adamson
Chartered Accountants

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2010

1. DESCRIPTION OF BUSINESS

The Nova Scotia Crown Share Land Legacy Trust is a not-for-profit entity established in accordance with Section 19 of the Environment Act. The Nova Scotia Crown Share Land Legacy Trust was established to hold, invest, and distribute by March 31, 2023, the Trust property to approved beneficiaries. Approved beneficiaries are defined as the Nature Conservancy of Canada, the Nova Scotia Nature Trust and those charitable, non-governmental, nature conservation land trusts that are designated as eligible bodies pursuant to the Conservation Easement Act, SNS, 2001, c.28.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Trust does not use fund accounting as a method of financial statement presentation due to the single nature and purpose of the entity. In accordance with CICA Handbook section 4410, the Trust recognizes contributions using the deferral method of accounting. Restricted and unrestricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Investment income consists of interest income. There is no restricted investment income and unrestricted investment income is recognized as revenue when earned.

Accounting estimates

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. Examples include the estimated value of promissory notes receivable. It is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in earnings in the period in which it became known.

Cash

Cash includes cash less outstanding cheques plus outstanding deposit.

3. FINANCIAL INSTRUMENTS

Substantially all of the Company's bank accounts are with one financial institution.

Fair Value

The trust's carrying value of cash and cash equivalents, accounts receivable, and accounts payable approximates its fair value due to the immediate or short term maturity of these instruments.

The carrying value of the long term debt approximates the fair value as the interest rates are consistent with the current rates offered to the trust for debt with similar terms.

Interest Rate

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the trust manages exposure through its normal operating and financing activities. The trust is exposed to interest rate risk primarily through its floating interest rate investments.

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2010

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Consistent with similar not-for-profit organizations, the Nova Scotia Crown Share Land Legacy Trust's risk management policies are part of the overall management of the entity's operations. Management's direct involvement in day-to-day operations identifies risks and variations from expectations leading to changes in risk management activities, requirements and actions. Management has not entered into hedging transactions to manage risk. As a part of the overall management of the entity's operations, management considers avoidance of undue concentrations of risk, and employs appropriate investment and credit management policies to manage the Trust's exposure.

5. PROMISSORY NOTES RECEIVABLE

	2010	2009
Province of Nova Scotia promissory notes	\$ 20,358,760	\$ 23,468,247

In accordance with Section 3855 of the CICA Handbook, the above promissory note is classified as a held for trading financial instrument bearing interest rates ranging from 0.22% to 0.25% and therefore is required to be presented at fair value. Due to its short term nature, the carrying amount of the promissory note approximate fair value. There are no fixed terms of repayment as funds are withdrawn by the Trust on an as-needed basis.

6. DEFERRED REVENUE

In compliance with the deferral method of accounting for contributions as disclosed in note 2, the Trust has recorded \$19,907,725 in deferred revenues as detailed below:

The Trust received a total of \$23,440,005 from the Province of Nova Scotia in the form of Crown Share Payments during the January 31, 2009 fiscal year. As stated in the trust indenture, 3% of the funds received can be allocated as unrestricted funds over the life of the trust. In the current year, the Trustees have recognized \$3,523,628 (2009 - \$8,652) as revenue, with the balance being carried as deferred revenue.

NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST

Notes to Financial Statements

Year Ended January 31, 2010

7. COMMITMENTS

The Trust has approved the following funding applications where the release of the funds are contingent on additional information requirements. The amounts of the funding is unknown at year end as funding from the Trust is dependent on the assessed fair market values of the properties to be purchased. As of the date of this report, no funds have been released and no further information has been obtained from the qualified recipients.

1. Nova Scotia Nature Trust:

- a) An application to purchase Pleasant River Conservation lands was approved at an assessed amount of \$6,750 by the Trust where funds are held until the Interim Stewardship Statement have been received.
- b) An application to purchase the Great and Selig Islands have been approved by the Trust, however the amount of the funding has not been determined as further information has been requested. The Selig Island has been appraised at \$200,000 however the Great Island appraisal has yet to be received. Allowable funding is determined based on the total appraised fair market value of the lands and its ecological significance.
- c) An application to purchase land in Springhaven was approved at an assessed amount of \$228,000 by the Trust where funds are held until the recipient provides support that the anticipated stewardship endowment is sufficient to cover its costs.
- d) An Application to purchase Cameron Lake Conservation Lands was approved for the requested amount of \$52,502 by the Trust where funds are held until further purchase documentation has been submitted for final approval.

2. Nature Conservancy of Canada:

- a) An application to purchase Round Bay lands has been approved at the requested amount of \$57,500 by the Trust where funds are held until further stewardship and warranty information has been received.

8. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

The Trust has agreed to provide funding to the Mersey Tobiatic Research Institute (MTRI) Atlantic Coastal Plain Flora Atlas Project for the amount of \$13,975 to support 42 botanist days. The funding will be paid at specified milestones upon receipt of an invoice that details the lakes surveyed and individual time sheets and 20% will be held until completion of project. The funds are conditional upon the focus of the expert botanists:

1. The focus must be in high potential ACPF lakes that are not well-surveyed and with at least some large privately owned blocks with securement potential.
2. All concurrence data be provided to the Atlantic Canada Conservation Data Centre (ACDC) for archiving

The Trust has also agreed to fund additional field work proposed by S. Blaney of ACCDC however no contract or terms have been received as of the date of this report.