

**NOVA SCOTIA CROWN SHARE  
LAND LEGACY TRUST**  
**Financial Statements**  
**Year Ended January 31, 2011**

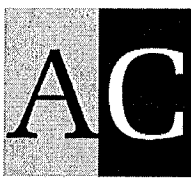
**NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST**

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**Year Ended January 31, 2011**

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# Hunter Tellier Belgrave Adamson

## CHARTERED ACCOUNTANTS

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

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### INDEPENDENT AUDITOR'S REPORT

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To the Members of Nova Scotia Crown Share Land Legacy Trust

We have audited the accompanying financial statements of Nova Scotia Crown Share Land Legacy Trust, which comprise the statement of financial position as at January 31, 2011, and the statements of revenues and expenditures, 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 generally accepted accounting principles, 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.

#### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nova Scotia Crown Share Land Legacy Trust as at January 31, 2011, 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, 2011

*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, 2011**

	2011	2010
<b>REVENUE</b>		
Crown share payments	\$ 448,854	\$ 3,523,628
Interest income	126,645	235,592
	<b>575,499</b>	<b>3,759,220</b>
<b>GRANTS AND RELATED EXPENDITURES</b>	<b>408,626</b>	<b>3,493,268</b>
<b>GROSS PROFIT</b>	<b>166,873</b>	<b>265,952</b>
<b>EXPENSES</b>		
Professional fees	25,958	10,100
Botanical fieldwork	10,520	10,720
Honorariums	3,600	5,850
Office	78	359
Interest and bank charges	71	72
Conference	-	2,979
Memberships	-	250
	<b>40,227</b>	<b>30,330</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 126,646</b>	<b>\$ 235,622</b>

**NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST**

**Statement of Changes in Net Assets**

**Year Ended January 31, 2011**

	2011	2010
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 442,760</b>	<b>\$ 207,138</b>
Excess of revenue over expenses	126,646	235,622
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 569,406</b>	<b>\$ 442,760</b>

**NOVA SCOTIA CROWN SHARE LAND LEGACY TRUST**

**Statement of Financial Position**

**January 31, 2011**

	2011	2010
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 16,113	\$ 5,259
Promissory notes receivable <i>(Note 5)</i>	20,008,385	20,358,760
Interest receivable	27,861	2,540
Prepaid expenses	1,485	-
	<b>\$ 20,053,844</b>	<b>\$ 20,366,559</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 25,567	\$ 16,074
Deferred income	19,458,871	19,907,725
	19,484,438	19,923,799
<b>NET ASSETS</b>		
General fund	569,406	442,760
	<b>\$ 20,053,844</b>	<b>\$ 20,366,559</b>

COMMITMENTS *(Note 7)*

**ON BEHALF OF THE BOARD**

\_\_\_\_\_  
*Director*

\_\_\_\_\_  
*Director*

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, 2011**

	2011	2010
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 126,646	\$ 235,622
Changes in non-cash working capital:		
Interest receivable	(25,321)	166,351
Accounts payable and accrued liabilities	9,493	13,296
Deferred income	(448,854)	(3,523,628)
Prepaid expenses	(1,485)	-
Promissory notes	350,375	3,109,487
	(115,792)	(234,494)
<b>INCREASE IN CASH FLOW</b>	<b>10,854</b>	<b>1,128</b>
Cash - beginning of year	5,259	4,131
<b>CASH - END OF YEAR</b>	<b>\$ 16,113</b>	<b>\$ 5,259</b>
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Interest paid	\$ 72	\$ 72
Income taxes paid	\$ -	\$ -

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, 2011

### 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

	2011	2010
Province of Nova Scotia promissory notes	\$ 20,008,385	\$ 20,358,760

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 1.00% 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 \$19,458,871 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 \$448,854 (2010 - \$3,523,628) as revenue, with the balance being carried as deferred revenue.

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.

8. SUBSEQUENT EVENTS

At the end of 2010 fiscal year the Trust had agreed to provide funding to the Mersey Tobeatic Research Institute (MTRI) Atlantic Coastal Plain Flora Atlas Project for the amount of \$13,975 to support 42 botanist days. The funding was to be paid at specified milestones upon receipt of an invoice that detailed the lakes surveyed and individual time sheets, with 20% will being held until completion of the project. The funds were conditional upon the two points that follow:

1. The focus of the surveys 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 occurrence data must be provided to the Atlantic Canada Conservation Data Centre (ACDC) for archiving.

As of the end of the 2011 fiscal year, the Trust had paid a total \$4,658, and the remaining \$9,317 was outstanding at year end.

The Trust has also agreed to fund additional fieldwork proposed by S. Blaney of the Atlantic Canada Conservation Data Centre. At the completion of fieldwork, invoices totalling \$10,520 had been received for these services.