

# Speaker explores possible pitfalls of not planning ahead financially

Michelle Pinon

Death and taxes are two topics most people avoid talking about; yet Doris Bonora had no trouble discussing them during a "Dessert & Learn information session at the Lamont Recreation Centre March 19th.

The event, sponsored by Agriculture Financial Services Corporation (AFSC), was very popular with 105 people in attendance.

Bonora, a partner with FMC Law, informed producers about power of attorney, personal directives, farm tax planning and wills.

"I'm so surprised and encouraged by how many people are here," said Bonora, who specializes in succession planning for farm families.

Bonora, who has been at the centre of many contentious court cases, said her goal is to, "Prevent you from becoming one of those stories."

She pointed out that farms are a big, complicated business, and that you have to think about planning and taking

financial affairs seriously. "It's important you write down your wishes."

She also explained the difference between enduring power of attorney (EPA) and a personal directive (PD). While an enduring power of attorney deals with financial affairs and management, a personal directive has to do with non-financial matters including: health care, living accommodations, social and employment activities.

"An enduring power of attorney is one of the most important documents." There are two types of enduring power of attorney, immediate or springing, added Bonora. "It is important to choose a farm manager to be an attorney. It must be someone who can manage the farm or someone who will find someone to manage the farm." She also recommended naming an alternate and to have a dispute resolution mechanism such as an arbitration clause.

As far as a personal directive, Bonora recommended appointing a strong advocate, especially in the area of

health care. They would also deal with living accommodations, social and employment activities. They would have access to personal information and act on your behalf regarding such directives as life support and organ donation.

A personal directive and enduring power of attorney usually cost \$150 a piece to process, said Bonora, "If there is no EPA PD there are increased costs for legal and medical reports that can cost anywhere between \$500 and \$700 and \$750 to \$1,500 respectively.

She also touched on farm tax planning which includes structuring the farm into: proprietor-

ship, partnership, co-ownership, trusts and joint venture. "The key objective is to minimize tax during lifetime and at death." She discussed personal versus corporate tax rates, tax integration, capital gains, lifetime capital gain deduction, spousal and dependent rollovers and reserves.

"You don't need to know all of the answers before you go to a lawyer. That's just not true. You just need to come to the office with your goals." Clearly Bonora's goal is to have families remain families long after their loved ones have passed away.

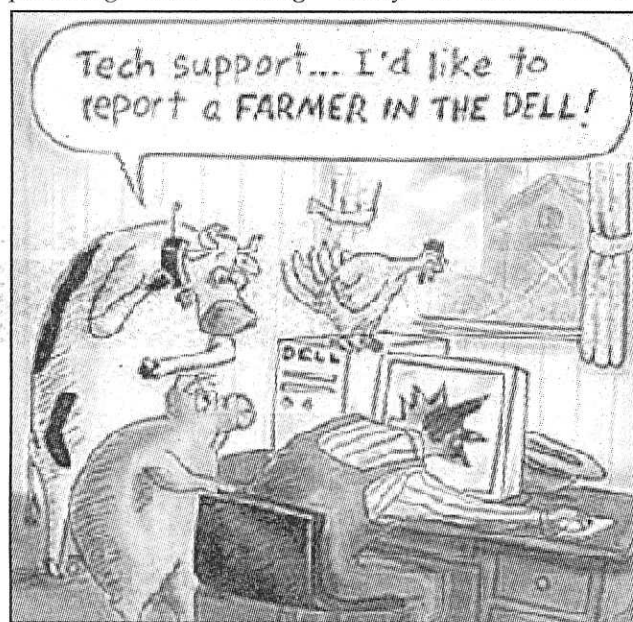


MICHELLE PINON PHOTO

Doris Bonora had a lot of great advice for residents in the area of Lamont during her presentation.

## 2011 Farming statistics in Alberta as documented by Statistics Canada

	2011
Number of Farms	4,344
Total Acreage	2,239,127
Average Farm Size (Acres)	515
Number of Farm Operators	6,280
Number of Employees	3,871
Gross Farm Receipts (\$ Millions)	690*
Major Crops (Acreage)	
Total Crop Land	1,448,456
Canola	452,157
Wheat	339,635
- Spring Wheat	330,641
Barley	204,286
Alfalfa and Alfalfa Mixtures	241,272
Other Tame Hay and Fodder	91,537
Livestock (On-Farm Inventory)	
Value of Livestock/Poultry (\$ Millions)	196
Cattle and Calves (Number)	183,594
- Beef Cows (Number)	68,187
- Dairy Cows (Number)	9,905
- Heifers (Number)	25,872
- Calves (Number)	64,431
- Steers and Bulls (Number)	15,199
Pigs (Number)***	33,253
Hens and Chickens (Number)	1,903,662
Source: Statistics Canada	



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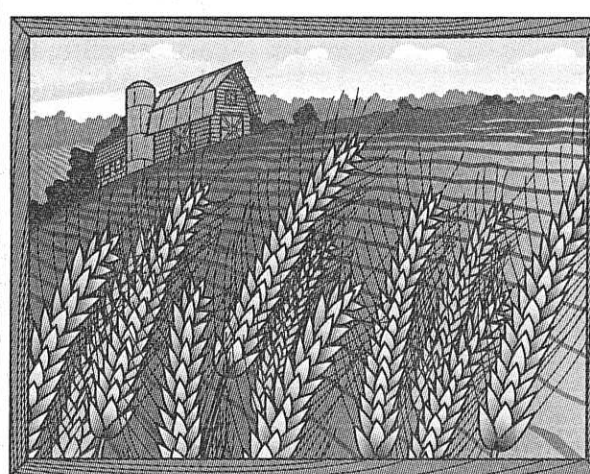
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The Town of Lamont wishes to recognize the agricultural community as they work through adversity in this economy.



From the Town of Lamont Mayor, council and staff



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MAYOR, COUNCIL AND STAFF

