

# 2016 Annual Report



  
**SALTS**  
southern alberta  
land trust society

March 2017

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- Audited Financial Statements year end December 2016

*Cover photo: SALTS easement in the Pekisko Valley.*

## President's Message

It's hard to believe a year has gone by since I became President. So many things were happening both at SALTS and in my own life that the year seemed to fly by!

The great news is that SALTS continues to deliver on its mandate to work with landowners and other partners to protect Alberta's remaining intact landscapes. Like 2015, 2016 saw us add significant and ecologically valuable acres under conservation easement.

- We completed three projects with landowners in 2016 totaling 1,003 acres and bringing our total to 17,437. It is not always, however, just the size of properties that is important as sometimes the protection of valuable riparian areas or habitat can be achieved on smaller parcels.
- We developed partnerships to support landowner stewardship and safety. These included a riparian health project with Cows and Fish on the Crowsnest River and hosting bear safety workshops alongside the Alberta government.
- And, we created greater public awareness of the work we do and the value of Alberta's native landscapes through presentations, media, and collaborative mapping and science with other conservation organizations.

We continue to get greater interest in our work each year from ranchers and other landowners. One reason for this may be the demographics of our rural communities with lots of ranchers hitting retirement age. This often means that families are looking for ways to retire but keep the ranch intact, which in some cases can be facilitated through conservation easements.

I expect 2017 to be another exciting year for SALTS. It seems that our organization continues to gather steam and that the level of awareness around the value of what we are trying to accomplish is growing.

Finally, I would like to thank all those who support us financially or with the gift of their time. And most importantly, those landowners who have put their trust in us and chosen to work with SALTS.

Sincerely,

Kelly Hall  
President of the Board

## Operations Report

### Staffing and Capacity

With the addition of Mike Gibeau as Stewardship Coordinator early in 2016, SALTS now has three staff and it feels like we're firing on all cylinders. Given his experience, Mike has been able to hit the ground running with our monitoring activities, baseline reports, and conservation easement discussions with new landowners. If you haven't met him already you likely will this year when he's out in the field meeting with our easement landowners.

Many of you will have had the chance to meet or speak on the phone with Berry our Office Manager. She is based out of our High River office and is a lady of many talents. She oversees our bookkeeping, administration, events, and a bunch of our communication activities. Please feel free to drop by and visit her in the office.

My role as Executive Director continues to focus on our core mandate of working with interested landowners to complete conservation easement and to secure the funding for these projects. However, I also spend considerable time working with our partners in government, other land trusts, and conservation groups trying to forward the broader agenda of private land conservation in Alberta.

SALTS has grown considerably in the last three years in terms of our capacity and I feel that our current staff of three will serve us well for some time into the future.

### New Conservation Easements

SALTS completed three conservation easements in December of 2016 covering 1,003 acres. We have another easement underway that we did not complete in 2016 but will this spring.

We were successful in our applications last fall for funding through the Alberta Land Trust Grant Program for three new conservation easement projects that we intend to complete by the end of 2017.

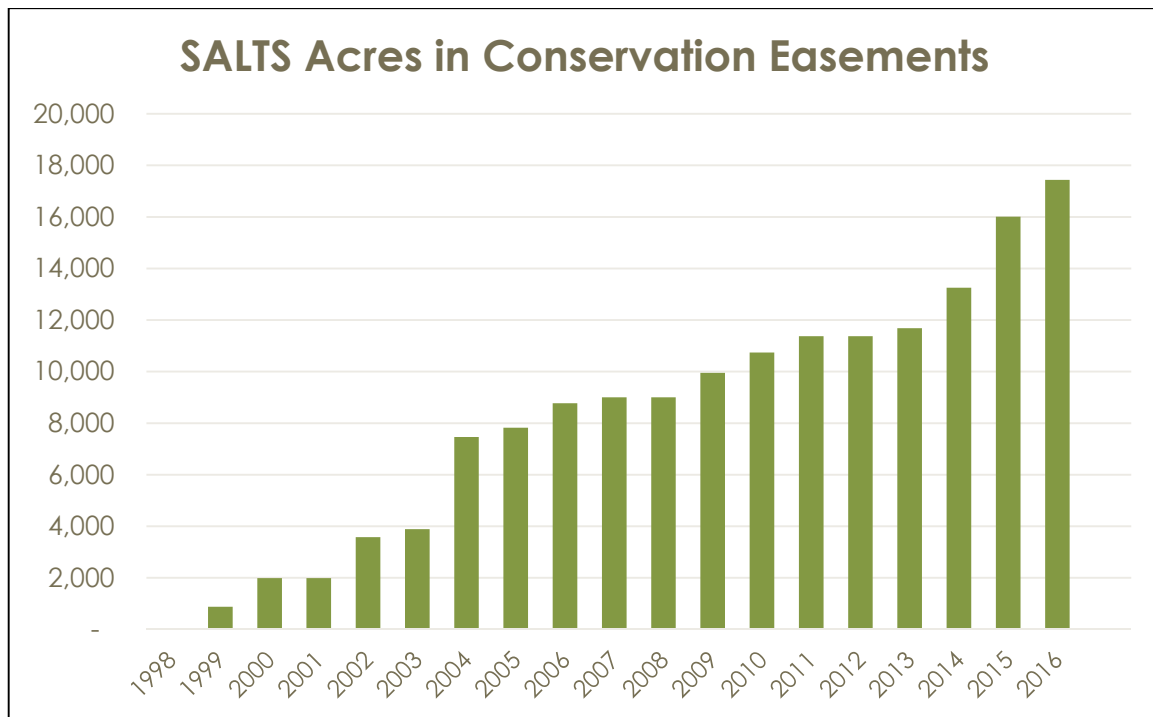
These projects include lands in the Pekisko Valley, the north end of the Porcupine Hills, and south of Cardston right near the Montana border. When completed these easements will be the largest number of acres that SALTS has protected in any one year at over 4,000 acres.



*Easement SALTS completed in 2016 near Twin Butte next to the Drywood Creek Valley.*

We continue to focus our efforts on those lands that are of high ecological value and/or are at threat of being developed. More and more we are working on easements with ranching families who are in transition between generations and looking for options to help keep the land in tact when it is transferred or sold.

The graph below shows that SALTS has significantly increased the number of acres we have been protecting in recent years. This is the result of a number of factors including greater awareness of our work, our increased organizational capacity, and the consistent funding through the Alberta Land Trust Grant Program.



### Existing Conservation Easements

Every year SALTS connects with our 30 plus easement landowners. We continue to support them if there is proposal for development on their property or there is a change in ownership. We are also hoping to increase our partnerships with organizations like the Oldman Watershed Council and Cows and Fish to create stewardship opportunities to enhance range and riparian health.

### Summary

The work of SALTS seems to be increasingly relevant and in demand. We look forward to continuing to meet that demand and to keeping Alberta's natural landscapes open and intact for this and future generations.

Justin Thompson  
Executive Director

## Financial Report

2016 saw the SALTS budget finish on track with a slight surplus. Expenses were in line with what had been projected. The positive result on the income side was due to generous donations from individuals, foundations, and our successful grant applications for specific easements through the Alberta Land Trust Grant Program. Every year, however, SALTS must work to meet its budget. Our expenses are fairly consistent while most of our income is uncertain and must be raised each year.

The other positive financial news is that SALTS continues to build its endowment at the Calgary Foundation. As of early 2017 the total value was \$1,972,323. The annual income from our endowment (although only about 25% of our operating budget) is very important for SALTS. It means that we have funds each year to communicate with our landowners, visit their properties, and meet our obligations under the Ecological Gifts Program. As the number of SALTS easements grows so do the costs of stewarding them. This is why our endowment is so important and why continuing to build it will be a major focus for the next few years.

SALTS added a new staff member (Mike Gibeau) at the beginning of 2016 which increased our capacity but also our operating expenses. So far, and as intended, our increased capacity has also meant an increase in the number of projects and grants that we have been able to secure. This has helped us to cover these additional staff costs and allowed us to get more conservation work done!

I would like to recognize that the biggest financial contributors to the work we do are ultimately the landowners who donate easements. The value of the ecological gifts they donate are enormous and the financial benefits they receive are not the same as if they were to simply sell the land. For this gift, we are very appreciative.

Lastly, SALTS wants to thank all the others who support our work financially. We are proud that we can show our funders that we are getting a lot done with relatively few dollars. There are a number of organizations that have made a big difference this past year including the Alberta Government, the Auxilium Foundation, and the Calgary Foundation. There have also been a number of generous donations from individuals. Without all of this support, SALTS could not continue our work to keep Alberta's most valuable landscapes intact.

John Cross  
Treasurer

**SOUTHERN ALBERTA LAND TRUST SOCIETY**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2016**

# **SOUTHERN ALBERTA LAND TRUST SOCIETY**

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**DECEMBER 31, 2016**

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# Scase & Partners

## Professional Accountants

### 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 for the year ended December 31, 2016 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 for not-for-profit organizations, 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.

**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 December 31, 2016, 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 for the year ended December 31, 2016 in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
March 2, 2017


  
Professional Accountants


# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

	2016	2015
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 279,943	\$ 220,908
Accounts receivable	2,002	3,617
Prepaid expenses	1,813	1,813
	<u>283,758</u>	<u>226,338</u>
<b>RESTRICTED CASH AND CASH EQUIVALENT (Note 2)</b>	624,118	380,967
<b>CONSERVATION EASEMENTS (Note 1)</b>	24,941,872	22,834,031
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<u>1,798</u>	<u>2,773</u>
	<u>\$ 25,851,546</u>	<u>\$ 23,444,109</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ <u>10,789</u>	\$ <u>19,446</u>
<b>NET ASSETS</b>		
Invested in capital assets	1,798	2,773
Restricted for conservation easements	24,941,872	22,834,031
Externally Restricted - projects (Note 2, 4)	425,407	136,343
Externally Restricted - casino (Note 2, 4)	0	47,135
Internally restricted (Note 2, 5)	98,711	97,489
Internally restricted - operating reserve (Note 2, 5)	100,000	100,000
Unrestricted	272,969	206,892
	<u>25,840,757</u>	<u>23,424,663</u>
	<u>\$ 25,851,546</u>	<u>\$ 23,444,109</u>

Approved by Board of Directors

  
\_\_\_\_\_  
Director

  
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Director

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED

	2016 December 31	2015 October 31 Comment 1	2015 December 31 Comment 2
<b>Revenues</b>			
Contributions			
Government	\$ 744,000	\$ 503,450	0
Other receipted donations	35,479	39,740	36,310
Unreceipted donations	5,710	2,467	17,453
Foundations and charitable donations	86,722	76,109	3,607
	<u>871,911</u>	<u>621,766</u>	<u>57,370</u>
Income from Calgary Foundation (Note 6)	48,822	45,968	0
Interest	10,803	12,251	1,188
Membership	1,100	1,175	300
Other revenue-event revenue	<u>4,860</u>	<u>51,016</u>	<u>0</u>
	<u>937,496</u>	<u>732,176</u>	<u>58,858</u>
<b>Expenditures</b>			
Salaries and contracted services	210,749	144,092	27,757
Conservation Easement incentives	330,000	0	625,000
Conservation Easement other expenses	13,113	0	0
Non refundable endowment payment to The Calgary Foundation (Note 7)	0	37,000	485,738
Professional fees	16,585	8,900	0
Office expense	9,785	16,450	1,828
Rent	8,100	8,899	1,350
Insurance	3,206	2,826	500
Communications and advertising	15,183	2,499	72
Telephone and Internet	4,685	4,748	757
Bank charges	286	666	47
Travel	11,338	9,477	1,224
Amortization	976	2,025	176
Meeting and events	5,057	740	1,255
Fundraising	0	5,369	0
Memberships, licenses and fees	<u>179</u>	<u>85</u>	<u>60</u>
	<u>629,242</u>	<u>243,776</u>	<u>1,145,764</u>
<b>Excess of revenues over expenditures for the year</b>	<u>\$ 308,254</u>	<u>\$ 488,400</u>	<u>(1,086,906)</u>

Comment 1 Reporting period 12 months November 1, 2014 to October 31, 2015  
 Comment 2 Reporting period 2 months November 1, 2015 to December 31, 2015

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31

	Invested in tangible capital assets \$	Restricted for conservation easements \$	Externally restricted projects \$	Externally restricted- Casino project \$	Internally restricted Defence Fund \$	Internally Restricted Operating reserve \$	Unrestricted \$	2016 Total \$	2015 Total \$
<b>Net assets, beginning of year</b>	2,773	22,834,031	136,343	47,135	97,489	100,000	206,892	<b>23,424,663</b>	20,276,569
Excess (deficiency) of revenue over expenses							308,254	<b>308,254</b>	(1,086,906)
Investment in easements		2,304,600						<b>2,304,600</b>	4,235,000
ALTGP-Gov't grant (Note 6)			289,064				(289,064)		
Reallocated capitalized incidental and maintenance cos to CE's of prior years		- (196,759)					-	<b>(196,759)</b>	
Transfers between Funds (1)				(47,135)	1,222		45,913		
Amortization	(975)						975		
<b>Net assets, end of year</b>	<b>1,798</b>	<b>24,941,872</b>	<b>425,407</b>	<b>-</b>	<b>98,711</b>	<b>100,000</b>	<b>272,970</b>	<b>25,840,758</b>	<b>23,424,663</b>

- (1) Residual Casino funds were allocated to the unrestricted net asset account after a portion were expended during the current year on other costs.

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31

	2016	2015 Comment 1
<b>Cash flows from operating activities</b>		
Excess (Shortfall) of revenues over expenditures for the year	\$ 308,254	\$ (1,086,906)
Item not affecting cash:		
Amortization	976	176
	<u>309,230</u>	<u>(1,086,730)</u>
Net change in non-cash working capital items		
(Increase) decrease in accounts receivable	1,615	(810)
Increase (decrease) in accounts payable and accrued liabilities	(8,659)	10,439
	<u>302,186</u>	<u>(1,077,101)</u>
<b>Cash flows from financing and investing activities</b>		
Conservation easement acquisition costs capitalize	-	(16,400)
<b>Change in cash and cash equivalents during the year</b>	<b>302,186</b>	<b>(1,093,501)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>601,875</b>	<b>1,695,376</b>
<b>Cash and cash equivalents, end of year</b>	<b><u>904,061</u></b>	<b><u>601,875</u></b>
<b>Cash and cash equivalents consists of</b>		
Bank balances	805,350	504,386
Guaranteed Investment Certificates	98,711	97,489
	<u>\$ 904,061</u>	<u>\$ 601,875</u>

Comment 1      Reporting period November1 to December 31, 2015

The accompanying notes form an integral part of these financial statements

# **SOUTHERN ALBERTA LAND TRUST SOCIETY**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016**

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### **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 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 easements limit environmentally damaging forms of development. Conservation easements are typically assigned in perpetuity and registered on title to the land.

Landowners may receive an income tax receipt, alongside cash payment in some cases, for the donation of a conservation easement to a registered charity. The value of the conservation easement 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.

### **1) Significant accounting policies**

#### **Basis of accounting**

In accordance with Canadian 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.

#### **Change of accounting policy**

During the year, the Society changed its accounting policy with respect to the capitalization of incidental and maintenance costs on acquisitions of new conservation easements. The Society now recognizes these as period operating expenses rather than an incremental increase in the value of the conservation easements.

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

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### 1) Significant accounting policies, continued

There was a total of \$196,759 of those prior years cost that was reallocated from the value of conservation easements in the 'Assets' account and from the 'Net Assets' of the Society. The impact on the change in accounting policy on the reallocated amount did not change the current year balance in the Retained Earnings (the Unrestricted).

#### **Measurement uncertainty**

These preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations ("ASNPO") requires management to makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amount of revenues and expenses during the reporting period. Accounts receivables, amortization and valuation of long-lived assets are the elements of the financial statements that require the use of management estimates.

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 are reasonable under the circumstances. Actual results could differ from those estimates.

#### **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**

A conservation easement is a registered interest acquired in tangible real property. The value of the conservation easement is determined by a certified third-party appraiser, the certification being specifically for the appraisal of ecological gifts. The appraisal is then reviewed by a committee coordinated through Environment Canada who issue a determination of the value provided for the conservation easement. If this committee approves the valuation, SALTS can issue a charitable receipt. On the basis of an approved appraisal SALTS then issues a charitable receipt and in some cases a cheque to the landowner representing in a combined total, the full value of the conservation easement. The full value of the easement, cash and donation receipt inclusive are recorded in the financial accounts of SALTS.

# **SOUTHERN ALBERTA LAND TRUST SOCIETY**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016**

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### **1) Significant accounting policies, continued**

#### **Conservation easements, continued**

SALTS does not record adjustments at future dates to reflect any increase or decrease in the original booked value of the conservation easements.

#### **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.

#### **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**

A financial instrument is classified at fair market value upon initial recognition. If a financial instrument is subject to a loss in value, the loss is recognized as part of the statement of operations in the year end in which it occurs. In future years if a financial instrument recovers from a write down, the financial instrument will be adjusted to no greater than its original fair market value reported at initial acquisition. The adjustment will be through the statement of operations.

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

### 2) Restricted cash

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

	<u>2016</u>	<u>2015</u>
	\$	\$
Externally restricted - ALTGP project	425,407	136,343
Externally restricted - casino	0	47,135
Internally restricted - operating reserve	100,000	100,000
Internally restricted funding	<u>98,711</u>	<u>97,489</u>
	<u>624,118</u>	<u>380,967</u>

### 3) Property and equipment

	Cost	Accumulated Amortization	2016 Net	2015 Net
	\$	\$	\$	\$
Office equipment	8,709	7,452	1,257	1,572
Computer equipment	<u>16,764</u>	<u>16,223</u>	<u>541</u>	<u>1,203</u>
	<u>25,473</u>	<u>23,675</u>	<u>1,798</u>	<u>2,775</u>

### 4) Externally Restricted Funds

#### Projects

	ALTGP 2015	ALTGP 2014	ALTGP 2013	Total
	\$	\$	\$	\$
<b>Opening Balance</b>	<b>0</b>	<b>69,632</b>	<b>66,711</b>	<b>136,343</b>
Gov't of Alberta	744,000	0	0	744,000
Interest-ALTGP	<u>5,180</u>	<u>703</u>	<u>2,211</u>	<u>8,094</u>
	749,180	70,335	68,922	888,437
Expenses	(64,814)	(43,548)	(27,780)	(136,142)
Transferred to Unrestricted	0	3,113	0	3,113
CE incentives	<u>(330,000)</u>	<u>0</u>	<u>0</u>	<u>(330,000)</u>
<b>Closing Balance</b>	<u>354,366</u>	<u>29,900</u>	<u>41,142</u>	<u>425,408</u>

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

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### 4) Externally Restricted Funds, continued

Funds received from Alberta Land Trust Grant Project in the fiscal year was \$744,000 (December 31, 2015 - \$nil). Interest earned during the period was \$8,094 (December 31, 2015 - \$1,177) and added to the fund as per the agreement.

#### Casino Funding

	2016	2015
	\$	\$
Casino Funds on hand	0	47,135

Casino funds are to be spent according to Alberta Gaming & Liquor Commission regulations. As per the minutes of the board meeting on February 17, 2016, casino funds that were categorized as restricted funds in the prior year were to be converted to a unrestricted funds effective the date of the board meeting.

### 5) Internally restricted

#### Defense fund

At December 31, 2016, the restricted bank balance was \$98,711 (December 31, 2015- \$97,489) and was invested in a guaranteed investment certificate. The investment income earned on this fund is to be added to this restricted fund as earned. The restricted amount is for the defence of SALTS's conservation easements in situations such as a legal challenge to an easement or proposed industrial development that may have a negative impact on the conservation values of a property.

#### Operating reserve

The board of directors have established a reserve that would provide stability in the event of a funding shortfall enabling SALTS to cover operating expenses for a period until additional funding was received or changes to operations could be implemented.

### 6) Income from The Calgary Foundation (TCF)

During the fiscal year, the Society received investment income from The Calgary Foundation (TCF) of \$14,906 (December 31, 2015 year - \$15,962) related to an initial Legacy Fund gift of \$325,000 made to the Society in 1999.

The Society also received investment income of \$31,626 (December 31, 2015 year - \$28,301) from the Foundation related to the Stewardship Fund during the period.

# SOUTHERN ALBERTA LAND TRUST SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016

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### 6) Income from The Calgary Foundation (TCF), continued

Income was received for management and stewardship of the OH Pekisko Ranch conservation easement from a proportion of the Daryl K. Seaman Fund for \$2,290 (December 31, 2015 year - \$2,410).

The Rocky Mountain Elk Foundation of Canada decided the income from their endowment with The Calgary Foundation (TCF) is to be directed to SALTS in perpetuity. The management made representation with TCF to align distribution dates on the income from the various funds held with TFC. It was decided that Rocky Mountain Elk money be released January 15 each year and to initially take effect in January 2017. There were no contributions received from TCF from this fund in the current year (December 31, 2015- \$1,197).

### 7) Endowment Funds at The Calgary Foundation

The Society has established endowment funds to improve its stability and sustainability into the future. Endowment funds by their nature are created to earn investment income that can be used by SALTS in its operations while the original capital invested in the endowment fund cannot be refunded.

The purpose of creating the endowment fund was to ensure that there will always be sufficient investment income earned to support the ongoing SALTS administration costs required to manage the conservation easements under their umbrella.

These Agency Funds are held by The Calgary Foundation (TCF) and include the Legacy Fund dedicated to general operations (value as of December 31, 2016 is \$453,233), and the Stewardship Fund dedicated to the management and stewardship of easements (value as of December 31, 2016 is \$1,278,602). During the year, there was an inter-transfer of funds from the Stewardship Fund to the Legacy Fund for \$65,593 in order to separate the endowment funds supporting those conservation easements funded under the Alberta Land Trust Grant Program and those which were funded previous to this program.

Stewardship Fund - during the current fiscal year the Society has made no deposit (December 31, 2015 year - \$490,989).

Legacy Fund - during the current fiscal year ended the Society has made no deposit.

In past years deposits to these funds have been made in the same fiscal year as the easements were completed. However, with the change in SALTS fiscal year to the calendar year and because SALTS easements are usually completed in December, on a go forward basis, funding deposits will usually be received in the following fiscal year.

# **SOUTHERN ALBERTA LAND TRUST SOCIETY**

## **NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2016**

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### **8) 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.

### **9) Volunteer time**

During the year, there was an accumulated volunteer time with a fair market value of approximately \$13,350 (December 31, 2015 year - \$33,600) that was not recorded in the records of the Society. This amount would be part of the matching money towards the Government of Alberta (ALTGP) grants on the various SALTS projects.

### **10) Comparative figures**

#### **Statement of Operations**

The current year is for a period of 12 months ending December 31, 2016.

We included 3 columns in the statement of operations:

#### **Column**

- 1 Fiscal period January 1 to December 31, 2016
- 2 Fiscal period November 1, 2014 to October 31, 2015
- 3 Fiscal period (2 months) November 1, 2015 to December 31, 2015

The purpose of the 3 columns was to provide a comparison of a full fiscal year to the year ended December 31, 2016 that was reported in column 2.

### **10) Rounding**

Certain figures may vary due to the rounding of formulas.