

SOUTHERN ALBERTA LAND TRUST SOCIETY

FINANCIAL STATEMENTS

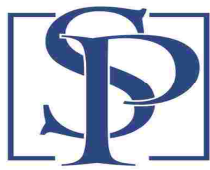
DECEMBER 31, 2020

SOUTHERN ALBERTA LAND TRUST SOCIETY

TABLE OF CONTENTS

DECEMBER 31, 2020

	Page
Independent Auditor's Report	1 - 3
Financial Statements	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 15



SCASE & PARTNER
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Southern Alberta Land Trust Society,

Qualified Opinion

We have audited the financial statements of The Southern Alberta Land Trust Society, which comprise the statement of financial position as at December 31, 2020, and the statement of operations, statement of changes in net assets and the statement cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects the financial position of The Southern Alberta Land Trust Society as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, The Southern Alberta Land Trust Society derives income from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these incomes was limited to the amounts recorded in the records of The Southern Alberta Land Trust Society. Therefore, we were not able to determine whether any adjustment might be necessary to recorded donations and fund raising revenue, excess of income over expenses, cash flows from operations for the year ended December 31, 2020 and December 31, 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended December 31, 2020 was modified accordingly because of the possible effects of this scope limitation.

Suite 32, 2333 18th Avenue NE, Calgary Alberta. T2E 8T6
Ph: 403-735-0735 Fax: 403-735-2377
www.scase.ca

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Southern Alberta Land Trust Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Society's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The engagement partner on the audit resulting in this independent auditor's report is (Darryl Scase).



Calgary, Alberta
June 15, 2021

Chartered Professional Accountants

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	2020	2019
ASSETS			
UNRESTRICTED CURRENT ASSETS			
Cash and cash equivalents		\$ 154,029	\$ 866,786
Accounts receivable		92,287	512,513
Prepaid expenses		1,813	1,813
		<u>248,129</u>	<u>1,381,112</u>
RESTRICTED CASH AND CASH EQUIVALENTS	2	560,000	1,297,478
RESTRICTED INVESTMENTS	3	3,299,392	2,897,967
CONSERVATION EASEMENTS	1	57,948,972	50,584,022
PROPERTY AND EQUIPMENT	4	587	752
		<u>\$ 62,057,080</u>	<u>\$ 56,161,331</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable and accrued liabilities		\$ 55,107	\$ 1,143,451
NET ASSETS			
Invested in property and equipment		587	752
Restricted for conservation easements	1	57,948,972	50,584,022
Externally Restricted - projects	5	0	1,262,478
Internally restricted - Stewardship Assurance Fund	6	3,659,392	2,732,967
Internally restricted - operating reserve	6	200,000	200,000
Unrestricted net assets		193,022	237,661
		<u>62,001,973</u>	<u>55,017,880</u>
		<u>\$ 62,057,080</u>	<u>\$ 56,161,331</u>

Approved by the Board of Directors

Kelly Hall
Kelly Hall (Jun 21, 2021 08:34 MDT)

Director

Sybil Mathysen

Director

Kelly Hall

The accompanying notes form an integral part of these financial statements

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020	2019
Revenues			
Contributions			
Government	5	\$ 3,085,094	\$ 4,044,914
Donations		41,818	41,209
Foundation grants		30,626	51,300
		<u>3,157,538</u>	<u>4,137,423</u>
Financial Sustainment Plan income	8	181,762	111,760
Special projects		247,433	-
Interest		2,484	4,330
Membership		650	500
		<u>3,589,867</u>	<u>4,254,013</u>
Expenditures			
Conservation easement incentives		2,249,400	2,050,000
Salaries and benefits		250,314	268,633
Consulting fees		99,153	123,513
Legal and audit fees		25,814	23,894
Communications and advertising		891	3,893
Travel		17,305	21,864
Computer equipment		3,461	5,187
Bank and investment management fees		23,214	4,588
Office expense		14,730	14,447
Rent		10,271	9,287
Telephone and internet		7,452	7,951
Insurance		5,576	5,602
Meeting and events		500	2,127
Amortization		165	215
		<u>2,708,246</u>	<u>2,541,201</u>
Excess of revenues over expenditures for the year		\$ <u>881,621</u>	\$ <u>1,712,812</u>

The accompanying notes form an integral part of these financial statements

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020

	Invested in property & equipment \$	Restricted for Conservation Easements \$	Externally restricted projects \$	Internally restricted Stewardship Assurance Fund \$	Internally restricted Operating Reserve \$	Unrestricted \$	2020 Total \$	2019 Total \$
Net assets, beginning of year	752	50,584,022	1,262,478	2,732,967	200,000	237,661	55,017,880	43,492,411
Revenues	-	-	-	181,762	-	3,408,105	3,589,867	61,135
Expenditures	-	-	-	(151,762)	-	(2,556,484)	(2,708,246)	1,712,812
Value in new easements	-	7,364,950	-	-	-	-	7,364,950	9,559,000
Alberta Land Trust Grant Program (Note 5)	-	-	(1,262,478)	-	-	-	(1,262,478)	192,522
Transfers between Funds	-	-	-	896,425	-	(896,425)	-	-
Amortization	(165)	-	-	-	-	165	-	-
Net assets, end of year	587	57,948,972	-	3,659,392	200,000	193,022	62,001,973	55,017,880

The accompanying notes form an integral part of these financial statements

SOUTHERN ALBERTA LAND TRUST SOCIETY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020	2019
Cash flows from operating activities			
Excess of revenues over expenses for the year		\$ 881,621	\$ 1,712,812
Items not affecting cash:			
Amortization		165	215
Net change in non-cash working capital items:			
Increase in accounts receivable		420,226	(428,758)
Increase (decrease) in accounts payable		(1,088,344)	1,109,318
Net cash generated from operating activities		<u>213,668</u>	<u>2,393,587</u>
Investing activities			
Conservation project grants received		1,616,090	3,786,850
Interest earned on unspent grants		9,668	48,915
Qualifying conservation easement expenditures		(2,730,736)	(3,531,873)
Conservation project grants returned		(157,500)	(62,455)
Net cash provided by (used in) investing activities		<u>(1,262,478)</u>	<u>241,437</u>
Financing activities			
Investments made in Stewardship Assurance Fund		(401,425)	(2,697,967)
Investments made in Operating Reserve		-	(200,000)
Interest earned in the Stewardship Assurance Fund		-	12,220
Net cash provided by financing activities		<u>(401,425)</u>	<u>(2,885,747)</u>
Change in cash and cash equivalents during the year		(1,450,235)	(250,723)
Cash and cash equivalents – beginning of year		<u>2,164,264</u>	<u>2,414,987</u>
Cash and cash equivalents – end of year		\$ <u>714,029</u>	\$ <u>2,164,264</u>
Cash and cash equivalents is restricted or unrestricted as follows:			
Unrestricted cash		154,029	866,786
Restricted cash	2	<u>560,000</u>	<u>1,297,478</u>
		\$ <u>714,029</u>	\$ <u>2,164,264</u>

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, 2020

Purpose of the Organization

The Southern Alberta Land Trust Society ("Society", "SALTS") was incorporated under the Societies Act on January 13, 1998 as a not-for-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.

SALTS was formed to maintain the ecological, cultural, productive and scenic values of Southern Alberta's foothills 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. SALTS aims to achieve its objectives through the acquisition of conservation easements, the promotion of environmentally compatible land uses, and the education of landowners and the public.

1) Significant accounting policies

Basis of accounting

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

Measurement uncertainty

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations ("ASNFP") requires management to make 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.

1) Significant accounting policies, continued

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 received or receivable by SALTS are recognized as direct increases in net assets in the current period.

Conservation easements

Conservation easements are interests in land acquired by SALTS for purposes of enabling it to conserve and protect the natural scenic, aesthetic and environmental values of the land to which a conservation easement relates (the *Encumbered Land*). A conservation easement encumbers the Encumbered Land with a perpetual restriction on the types of development and activities that may take place on it but does not transfer ownership or possession of the Encumbered Land, both of which remain with the landowner. Because a conservation easement is an interest in land registered on title with the Alberta Land Titles Office, it is binding on both the original grantor and all subsequent owners of the Encumbered Land.

At the time a conservation easement is acquired by SALTS, its notional 'value' (being the amount by which the conservation easement diminishes the market value of the Encumbered Land) is appraised by an independent appraiser certified to appraise ecological gifts. This appraisal is then reviewed by Environment Canada, which issues a determination of the value of the conservation easement having regard to the appraisal (the *Appraised Value*). On execution of the conservation easement SALTS issues to the landowner a charitable receipt, and in some cases a component of cash, in the amount of the Appraised Value. The conservation easement is then booked in SALTS' financial accounts as an asset with a book value equal to the Appraised Value. SALTS does not adjust this book value to reflect changes over time, and the book value of a conservation easement does not typically represent the market or realization value of that conservation easement, particularly having regard to the long term stewardship obligations associated with conservation easements as discussed below.

In acquiring conservation easements, SALTS takes on an obligation to administer, enforce, defend and maintain those easements for as long as they remain in effect. This is a material ongoing and long-term commitment, but quantification of its present value is not possible, and SALTS accordingly does not reference or attempt to quantify this liability in its balance sheet, consistent with Canadian accounting standards for not-for-profit organizations. SALTS has developed a formal Financial Sustainment Plan to address this liability, and SALTS' Stewardship Assurance Fund (Note 6) and The Calgary Foundation endowment funds (Note 7) have been established to build a source of funding for SALTS' long term conservation easement stewardship obligations.

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

1) Significant accounting policies, continued

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.

Investments

Investments include various investment and exchange traded funds that are generally liquid and are subject to normal market risks which are considered acceptable for the Society.

Investments are initially recorded at market, the price paid for the investment. Any loss in market value is recognized as an expense in the statement of operations in the year in which the impairment is realized or if the impairment is in an asset that is part of a restricted fund, then the restricted fund will recognize the loss. If impairments have been recognized and adjusted in the financial records, any future increases in the market value of the investments may be recognized as a gain in the year in which the recovery is realized, but never to more than the original price paid for the investment.

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 future adjustment will be through the statement of operations in the fiscal period in which it occurred or through the statement of changes in net assets for the internally restricted funds.

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

2) Restricted cash

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

	2020	2019
	\$	\$
Externally restricted - ALTGP projects	-	1,262,478
Internally restricted - Stewardship Assurance Fund	560,000	35,000
	<u>560,000</u>	<u>1,297,478</u>

3) Restricted investments

Investments consist of various investments and exchange-traded funds. Investments that have been restricted from current use for general operating expenses are as follows:

	2020	2019
	\$	\$
Externally restricted - ALTGP projects		
Internally restricted - Stewardship Assurance Fund	3,099,392	2,697,967
Internally restricted - operating reserve	200,000	200,000
	<u>3,299,392</u>	<u>2,897,967</u>

4) Property and equipment

	Cost	Accumulated amortization	2020 Net	2019 Net
	\$	\$	\$	\$
Office equipment	8,709	8,194	515	644
Computer equipment	16,764	16,692	72	106
	<u>25,473</u>	<u>24,886</u>	<u>587</u>	<u>750</u>

5) Externally restricted project funds

SALTS received cash grants under the Alberta Land Trust Grant Program (ALTGP) in 2020 of \$1,616,090 (2019 - \$3,786,850). Such grants can only be recognized as revenue upon (i) the payment of qualifying conservation easement expenditures, (ii) the payment of incentives to landowners and (iii)

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

the approved retainment of funds for future stewardship activities. Any remaining balances are returned upon the completion of the registration of the related conservation easements. The balance of the ALTGP grants is held as externally restricted funds until such expenditures are incurred.

Total government funding recognized as revenue during 2020 was \$3,085,094 (2019 - \$4,044,914) as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Alberta Land Trust Grant Program (ALTGP)	2,750,736	3,551,873
Federal Government grants	334,358	493,041
	<u>3,085,094</u>	<u>4,044,914</u>

All funds received for various ALTGP projects were completely spent or distributed prior to the end of 2020 resulting in a nil balance owing under the program as of the end of 2020 (2019 - \$1,262,478). Changes in the externally restricted project funding from the ALTGP during 2020 were as follows:

<u>Projects</u>	ALTGP 2019 \$	ALTGP 2018 \$	2020 Total \$	2019 Total \$
Balance, beginning of year	-	1,262,478	1,262,478	1,021,041
Government of Alberta	1,616,090	-	1,616,090	3,786,850
Interest earned	3,310	6,358	9,668	48,915
	1,619,400	1,268,836	2,888,236	4,856,806
Easement expenses	(109,837)	(33,054)	(142,891)	(262,494)
Easement payments	(905,000)	(785,000)	(1,690,000)	(1,570,000)
Grants repaid	(157,500)	-	(157,500)	(62,455)
Transferred to SAF	(447,063)	(450,782)	(897,845)	(1,699,379)
Balance, end of year	-	-	-	1,262,478

SAF - Steward Assurance Fund

Interest earned during the year on the ALGTP funds was \$9,668 (2019 - \$48,915) and was added to the project funds as per the ALTGP agreement.

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED DECEMBER 31, 2020

6) Internally restricted funds

Stewardship Assurance Fund

Pursuant to its Financial Sustainment Plan, in 2018 SALTS established a Stewardship Assurance Fund (SAF) to provide a source of funding for its long-term conservation easement stewardship obligations as discussed in Note 1. The use of SAF capital and income is internally restricted to coverage of conservation easement stewardship costs. In 2020, stewardship income exceeded related expenses by \$30,000. During the year ended at December 31, 2020, SALTS transferred \$327,425 to the SAF and allocated a further \$560,000 of existing cash to the SAF for a total of \$887,425 (2019 - \$1,707,165), as per the terms of various ALTGP projects and the Natural Heritage Conservation Program.

Subsequent to the year ended December 31, 2020, in 2021 the board passed a resolution to combine the \$560,000 of restricted cash with the existing SAF pool of funds.

	2020 \$	2019 \$
SAF Book Value, beginning of year	2,732,967	1,013,582
Transferred from ALTGP Projects	887,425	1,707,165
Income earned and retained in Fund	30,000	12,220
Foundation grant received	9,000	-
SAF Book Value, end of year	3,659,392	2,732,967

The fair market values of the SAF balances as at December 31 were as follows:

	2020 \$	2019 \$
Cash restricted for SAF	560,000	35,000
Fair Market Value of Investments	3,396,884	2,724,478
SAF Fair Market Value, end of year	3,956,884	2,759,478

Operating reserve

The board of directors of the Society has established a reserve that would provide stability in the event of a funding shortfall to enable SALTS to cover operating expenses for a period until additional funding was received or changes to operations could be implemented. At December 31, 2020, the balance in the operating reserve was \$200,000 (December 31, 2019 - \$200,000).

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

7) Endowment Funds at The Calgary Foundation (TCF)

SALTS is the beneficiary of four endowment funds (the *Endowment Funds*) established with The Calgary Foundation (TCF), being (i) the SALTS Legacy Fund (established by SALTS initially to provide income for general operations), (ii) the SALTS Stewardship Fund (established by SALTS to provide income for conservation easement stewardship), (iii) the Daryl K. Seaman Fund (established in part to provide income for the stewardship of SALTS' OH Pekisko Ranch conservation easement), and (iv) the Rocky Mountain Elk Foundation Fund (established by the Rocky Mountain Elk Foundation of Canada to support its initiatives, and subsequently dedicated to SALTS).

Under the terms on which the Endowment Funds were established, all amounts contributed to an Endowment Fund are vested in, and become the property of TCF, and SALTS is not entitled to reclaim or otherwise access such contribution amounts. Because of this, SALTS attributes no monetary value to the Endowment Funds for accounting purposes, and accordingly does not include them as assets on its balance sheet, consistent with Canadian accounting standards for not-for-profit organizations. However, under the terms on which the Endowment Funds were established, and the Canadian federal legislation applicable thereto, SALTS is entitled to receive annual distributions of income from each of the Endowment Funds in perpetuity.

For the year ended December 31, 2020, the minimum annual distribution stipulated by the Canada Revenue Agency was 3.5%, and the amount distributed in 2020 by TCF was approximately 3.7% of the market value of the various endowment funds as at December 31, 2019.

Pursuant to SALTS' Financial Sustainment Plan, all income received from the SALTS Legacy Fund and the SALTS Stewardship Fund is dedicated exclusively to coverage of SALTS' conservation easement stewardship costs as discussed in Note 1 and is internally restricted from use for any other purpose.

During 2019 and 2020, SALTS contributed nil to the SALTS Stewardship Fund and nil to the SALTS Legacy Fund. The fair market values of the fund balances for each of the Endowment Funds as at December 31 were as follows:

	2020	2019
	\$	\$
SALTS Legacy Fund	514,483	501,686
SALTS Stewardship Fund	1,995,860	1,936,327
Daryl K. Seaman Fund	67,859	65,982
Rocky Mountain Elk Foundation Fund	34,984	33,975
	<u>2,613,186</u>	<u>2,537,970</u>

SOUTHERN ALBERTA LAND TRUST SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

8) Income earned under the Financial Sustainment Plan

SALTS received income under the Financial Sustainment Plan as follows:

	2020 \$	2019 \$
TCF Endowment Fund Income	95,022	83,335
Income from SAF Investments	86,740	28,425
Financial Sustainment Plan Income	<u>181,762</u>	<u>111,760</u>

9) Financial instruments

The Society's financial instruments consist of cash and cash equivalents, accounts receivable, investments, 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.

SALTS is not subject to any significant credit, interest rate or foreign exchange rate risk.

10) Subsequent event

In April 2021, the Society transferred \$560,000 of SAF funds to The Calgary Foundation (TCF). These funds have been invested in TCF's "Funds Administered for Others" which are pooled with TCF's assets for investment purposes. These funds are not in an endowment and therefore SALTS can access the principle as well as the income generated by these funds for stewardship purposes. Also, because these funds are not in an endowment they will be listed as assets on SALTS' balance sheet going forward. The Board of SALTS made the decision to invest these funds with TCF as part of the organization's efforts to diversify the investment of its stewardship resources as per the SALTS Financial Sustainment Plan.

11) Comparative Figures

Certain of the comparative figures were restated to facilitate comparison to the current year presentation.









SALTS FS Dec 31 2020 - FS 210608 - unsigned

Final Audit Report

2021-06-21

Created:	2021-06-18
By:	Dawn Mitchell (dawn@salts.land)
Status:	Signed
Transaction ID:	CBJCHBCAABAA5fQJasbxS1iHxd_Tt50XEYMXhUbRH3T0

"SALTS FS Dec 31 2020 - FS 210608 - unsigned" History

-  Document created by Dawn Mitchell (dawn@salts.land)
2021-06-18 - 3:20:45 PM GMT- IP address: 209.222.170.244
-  Document emailed to Shannon J. Matthyssen (smatthyssen@telus.net) for signature
2021-06-18 - 3:21:44 PM GMT
-  Email viewed by Shannon J. Matthyssen (smatthyssen@telus.net)
2021-06-18 - 9:36:03 PM GMT- IP address: 174.92.102.174
-  Document e-signed by Shannon J. Matthyssen (smatthyssen@telus.net)
Signature Date: 2021-06-21 - 10:38:00 AM GMT - Time Source: server- IP address: 174.92.102.174
-  Document emailed to Kelly Hall (hallfamfive@gmail.com) for signature
2021-06-21 - 10:38:02 AM GMT
-  Email viewed by Kelly Hall (hallfamfive@gmail.com)
2021-06-21 - 1:54:22 PM GMT- IP address: 66.249.84.75
-  Document e-signed by Kelly Hall (hallfamfive@gmail.com)
Signature Date: 2021-06-21 - 2:34:47 PM GMT - Time Source: server- IP address: 216.238.236.72
-  Agreement completed.
2021-06-21 - 2:34:47 PM GMT