
FINANCIAL STATEMENTS

**BRITISH COLUMBIA CIVIL
LIBERTIES ASSOCIATION**

December 31, 2011

***TOM* TOMPKINS, WOZNY, MILLER & CO.**
Chartered Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members
British Columbia Civil Liberties Association

Report on the Financial Statements

We have audited the accompanying financial statements of the British Columbia Civil Liberties Association, which comprise the statement of financial position as at December 31, 2011, and the statements of changes in net assets, operations 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.

Auditors' 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

In common with many charitable organizations, the Association derives revenue from memberships and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to memberships and donations, excess of revenue (expenses), assets and net assets.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the British Columbia Civil Liberties Association as at December 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompkins, Wozny, Miller & Co.

April 16, 2012
Vancouver, Canada

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31

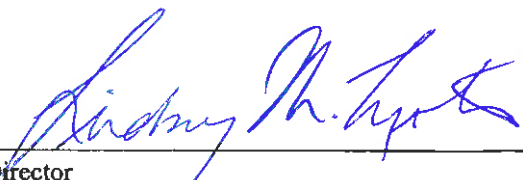
	2011			2010	
	General Fund	Stabilization Fund	Trust Fund	Total	Total
	\$	\$	\$	\$	\$
ASSETS					
Current					
Cash	94,163	1,674	4,350	100,187	44,394
Restricted cash - gaming account	502	—	—	502	287
HST, interest & other receivables	89,280	1,064	2,137	92,481	38,473
Interfund balances	1,519	(852)	(667)	—	—
Prepaid expenses	20,116	—	—	20,116	21,819
Total current assets	205,580	1,886	5,820	213,286	104,973
Investments, at market value <i>[note 4]</i>					
– administered by the Association (cost \$419,630 [2010 - \$79,814])	—	421,584	—	421,584	80,972
– subject to trust agreement (cost \$510,924 [2010 - \$486,447])	—	—	543,811	543,811	533,626
Capital assets <i>[note 5]</i>	8,177	—	—	8,177	12,613
Deferred architectural costs	12,333	—	—	12,333	—
	226,090	423,470	549,631	1,199,191	732,184
Endowment fund <i>[note 6]</i>					
LIABILITIES AND NET ASSETS					
Current liabilities					
Accounts payable and accrued liabilities	95,562	—	—	95,562	50,793
Deferred revenue <i>[note 7]</i>	85,499	—	—	85,499	1,521
Due to endowment fund	5,056	—	—	5,056	3,716
Deferred capital contributions <i>[note 8]</i>	20,188	—	—	20,188	11,986
Total liabilities	206,305	—	—	206,305	68,016
Net assets					
Trust fund	—	—	549,631	549,631	537,422
Internally restricted	—	423,470	—	423,470	(1,829)
Unrestricted	19,785	—	—	19,785	128,575
Total net assets	19,785	423,470	549,631	992,886	664,168
	226,090	423,470	549,631	1,199,191	732,184
Contingent liability <i>[note 11]</i>					
Commitment <i>[note 12]</i>					

See accompanying notes to the financial statements

Approved by:

Treasurer

Director



STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

For the year ended December 31

	2011			2010	
	General Fund	Stabilization Fund	Trust Fund	Total	Total
	\$	\$	\$	\$	\$
REVENUE					
Membership & donations	199,347	—	—	199,347	230,465
Bequests	370,148	—	—	370,148	—
Law Foundation of B.C. – operating grant	313,600	—	—	313,600	313,600
Specified grants earned <i>[note 7]</i>	156,614	—	—	156,614	176,929
Gaming revenue earned <i>[note 7]</i>	49,859	—	—	49,859	49,849
Investment income	447	5,922	18,035	24,404	19,651
Realized gains (losses) on sales of investments (net)	—	7,216	5,810	13,026	11,314
Adjustment of investments to market value	—	795	(14,055)	(13,260)	53,477
Endowment distributions <i>[note 6]</i>	3,673	—	—	3,673	4,137
Court awarded costs <i>[note 9]</i>	(2,783)	—	—	(2,783)	28,033
CLE registrations	19,875	—	—	19,875	8,300
Miscellaneous and special events	4,960	—	—	4,960	4,375
Amortization - deferred capital grants <i>[note 8]</i>	4,131	—	—	4,131	9,652
	1,119,871	13,933	9,790	1,143,594	909,782
EXPENSES					
Sta	547,462	—	—	547,462	604,570
Contracting	46,486	—	—	46,486	24,439
Rent & utilities	43,110	—	—	43,110	47,442
Office operating	39,526	—	—	39,526	58,198
Accounting and audit	19,785	634	1,581	22,000	19,823
Insurance	1,516	—	—	1,516	1,272
Bank charges	3,960	—	—	3,960	3,443
Fundraising	11,078	—	—	11,078	15,603
Litigation costs	56,123	—	—	56,123	23,449
Newsletter	9,110	—	—	9,110	16,288
Meetings, publications, events <i>[note 10]</i>	14,481	—	—	14,481	23,449
Travel and accommodation	15,588	—	—	15,588	23,127
Amortization	4,436	—	—	4,436	10,467
	812,661	634	1,581	814,876	871,570
Excess of revenue for the year	307,210	13,299	8,209	328,718	38,212
Fund balances, beginning of year	128,575	(1,829)	537,422	664,168	625,956
Inter-fund transfers	(416,000)	412,000	4,000	—	—
Fund balances, end of year	19,785	423,470	549,631	992,886	664,168

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

As at December 31

	2011			2010	
	General Fund	Stabilization Fund	Trust Fund	Total	Total
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Contributions received	530,333	—	—	530,333	231,653
Grants received:					
Law Foundation of B.C.	313,600	—	—	313,600	313,600
Other	172,709	—	—	172,709	98,550
Gaming proceeds received	50,075	—	—	50,075	90
Publication, special events and other	24,835	—	—	24,835	12,675
Court awarded costs	25,250	—	—	25,250	—
Income received on investments	447	4,865	17,321	22,633	19,651
Endowment income received	3,673	—	—	3,673	4,137
Cash paid for salaries and benefits	(547,462)	—	—	(547,462)	(606,135)
Cash paid for materials and services	(187,734)	(634)	(1,581)	(189,949)	(244,191)
Cash provided by operating activities	385,726	4,231	15,740	405,697	(169,970)
FINANCING AND INVESTING ACTIVITIES					
Contributions for endowment fund	1,340	—	—	1,340	384
Paid/received on behalf of other funds	85,014	(82,595)	(2,419)	—	—
Purchase and sale of investments (net)	—	(332,599)	(18,430)	(351,029)	(21,878)
Inter-fund transfers	(416,000)	412,000	4,000	—	—
Cash used in financing and investing activities	(329,646)	(3,194)	(16,849)	(349,689)	(21,494)
Increase (decrease) in cash	56,080	1,037	(1,109)	56,008	(191,464)
Cash, beginning of year	38,585	637	5,459	44,681	236,145
Cash, end of year	94,665	1,674	4,350	100,689	44,681
Cash consists of:					
Cash	94,163	1,674	4,350	100,187	44,394
Restricted cash - gaming	502	—	—	502	287
	94,665	1,674	4,350	100,689	44,681

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

1. PURPOSE OF THE ORGANIZATION

The British Columbia Civil Liberties Association (the "Association") is a provincial organization operating programs and providing services to promote, defend, sustain and extend civil liberties and human rights. The Association is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Canadian Income Tax Act. The Association is exempt from corporate income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The Association prepares its financial statements in accordance with Canadian generally accepted accounting principles. In the next fiscal year ended December, 31, 2012, the Association will adopt Canadian accounting standards for not-for-profit organizations ("ASNPO") which were released by the Canadian Institute of Chartered Accountants ("CICA") in December, 2010. These accounting standards are contained in Part III of the CICA Handbook. Where specific standards are not provided in Part III of the Handbook, the accounting standards for private enterprises ("ASPE") contained in Part II of the CICA Handbook, will be utilized. The adoption of ASNPO and ASPE is not expected to have a significant impact on the financial statements of the Association.

Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Restricted contributions, gaming funds and grants are recognized as revenue in the year in which 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.

Other revenue is recognized when services are performed, publications are sold, or an event has taken place and there is a reasonable expectation of collection.

Membership and donation revenue is recognized when received.

Fund Accounting

• *General Fund*

The General Fund reports revenues and expenses related to program and service delivery, administrative activities, special projects, legal services and capital assets.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

▪ *Stabilization Fund*

The Stabilization Fund was established on December 31, 2001 and originally represented the accrued interest and earnings on bequests and gifts of endowment contributions to that date. The Stabilization Fund may be used in any manner decided by the Board of Directors to assist the Association in accomplishing its purposes. The fund may be used for important special projects that the Association would not otherwise be able to undertake or to cover an operating deficit in a fiscal year. The Stabilization Fund will normally receive the income earned on its segregated investments, and from endowments, unless designated otherwise by the board.

▪ *Trust Fund*

In 2004, the Association established an irrevocable trust to hold a portion of the assets of the Stabilization Fund. The trust is administered by a trustee who cannot be an employee or director of the Association. The trustee has sole discretion over distributions of income or capital from the trust.

Capital Assets

Capital assets are recorded in the General Fund at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over six years for furniture and equipment and three years for computers. Amortization expense is reported in the General Fund.

Investments

Investments are recorded at market value and classified as held for trading. The Association records all investments based on the value at the settlement date.

Contributed Services

Volunteers contribute a significant amount of hours and services per year to assist the Association in carrying out its program and service delivery and administrative activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Statement of Cash Flows

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are presented using the direct method.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 reported amounts of revenues and expenditures during the reported period. Actual results could differ from the estimates.

3. FINANCIAL INSTRUMENTS

The Association has adopted the recommendations of Section 3855 and 3861 of the Canadian Institute of Chartered Accountants (CICA) Handbook dealing with financial instruments. The Association's financial instruments consist of cash, accounts receivable, investments and accounts payable.

The Association has elected to value its financial instruments at fair value on a held for trading basis, which requires that any change in fair value be brought in to income or expense as it occurs. The Association's investments are the only financial instrument with a significant difference between cost and fair value.

In the opinion of management, the Association is subject to market risk on its investments, credit risk on its bank deposits, accounts receivable and fixed income investments, and interest-rate risk on its fixed income securities, but is not otherwise subject to significant liquidity risk, foreign exchange risk or concentrations of credit risk related to its financial instruments.

4. INVESTMENTS, AT MARKET VALUE

The Association's investments fall into the following major categories:

	2011		2010	
	Stabilization Fund	Trust Fund	Stabilization Fund	Trust Fund
	\$	\$	\$	\$
Government and corporate bonds	187,206	208,026	—	148,057
Canadian equities	57,828	322,283	65,328	305,069
Canadian trust units	21,155	—	—	9,536
Pooled equity funds	55,330	13,502	15,644	45,799
Money market funds	100,065	—	—	25,165
	421,584	543,811	80,972	533,626

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

4. INVESTMENTS , AT MARKET VALUE (CONT'D)

The average yield to maturity, based on the cost of the investments, on the government and corporate bonds approximated 3.3% at December 31, 2011 (2010 - 3.9%). Investment income earned (dividends and interest), realized gains and losses on sales of investments, and changes in the market values of the Association's investments are shown on the Statement of Operations and Fund Balances.

5. CAPITAL ASSETS

	2011	2010
	\$	\$
Furniture, equipment and computers, at cost	53,848	53,848
Less: accumulated amortization	45,671	41,235
Net book value	8,177	12,613

6. ENDOWMENT FUND

The Association established an endowment fund in 1986 to provide a permanent source of revenue to fund work to protect civil liberties in British Columbia. The endowment fund is held by the Vancouver Foundation and its market value at December 31, 2011 and 2010 is not reflected on these financial statements.

The endowment fund had a market value of \$102,991 at December 31, 2011 [2010 - \$98,502]. During the year the Association received contributions of \$1,340 for the endowment fund [2010 - \$384] and a further \$6,500 [2010 - nil] was paid directly to the Vancouver Foundation. The Association received distributions from the fund of \$3,673 [2010 - \$4,137] which are included in net income.

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

7. DEFERRED REVENUE

Deferred revenue represent restricted funding received in the current or prior years that will be earned in a subsequent year. Changes in deferred revenue are as follows:

	2010 Deferred \$	Received \$	Earned or Transferred \$	2011 Deferred \$
HRDC - summer students	—	9,429	9,429	—
Province of B.C. - Workplace training	—	3,955	3,955	—
Law Foundation of B.C. - grants				
- Death in Custody Publication/Workshops	1,234	7,000	6,922	1,312
- Electronic devices	—	15,000	7,571	7,429
- Genetic privacy publication	—	20,000	18,400	1,600
- Lawful access publication	—	20,000	18,165	1,835
- Rights Watch	—	10,000	10,000	—
M.A.C. AIDS Fund - HIV privacy	—	35,000	—	35,000
Hamber Foundation - Northern outreach	—	1,500	1,500	—
Vancouver Foundation - Northern outreach	—	40,000	40,000	—
Tides Canada Foundation				
- Carter case	—	39,536	32,672	6,864
- Northern outreach	—	8,000	8,000	—
	1,234	209,420	156,614	54,040
Province of B.C. - Direct access gaming	287	50,074	49,859	502
	1,521	259,494	206,473	54,542
Real Estate Foundation - feasibility, net of architectural costs transferred <i>[note 8]</i>	—	43,290	12,333	30,957
	1,521	302,784	218,806	85,499
	2009 Deferred \$	Received \$	Earned \$	2010 Deferred \$
HRDC - summer students	—	10,050	10,050	—
Law Foundation of B.C. - grants				
- 1267 Committee	—	20,000	20,000	—
- Arrest handbook	—	15,000	15,000	—
- Articling Student	17,208	30,000	47,208	—
- Continuing Legal Education	—	7,500	7,500	—
- Death in Custody Publication/Workshops	46,942	—	45,708	1,234
- Legal Observer	—	16,000	16,000	—
Notary Foundation of B.C. - Rights Talk handbook	1,040	—	1,040	—
Rotary Club - Citizenship handbook reprint	2,811	—	2,811	—
UBC Legal - student	11,612	—	11,612	—
	79,613	98,550	176,929	1,234
Province of B.C. - Direct access gaming	50,046	90	49,849	287
	129,659	98,640	226,778	1,521

NOTES TO FINANCIAL STATEMENTS

December 31, 2011

8. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized portion of capital assets (2011 - and deferred costs) paid for with restricted contributions.

	2011	2010
	\$	\$
Balance, beginning of year	11,986	21,638
Architectural costs contributed	12,333	—
Amounts recognized as revenue in the year	(4,131)	(9,652)
Balance, end of year	20,188	11,986

9. COURT AWARDED COSTS

In 2010, the Association earned revenue of \$28,033 as a result of its participation in the Frank Paul inquiry. The government of British Columbia agreed to provide funding to cover BCCLA's litigation expenses related to the Frank Paul inquiry. In 2011, a payment of \$25,250 was received, net of an adjustment of \$2,783.

10. MEETINGS, PUBLICATIONS, EVENTS

In 2011, no publication costs were incurred. In 2010, publication costs included publication costs relating to the Arrest Handbook, Racial Profiling, Police-Involved Deaths, and the Citizenship Handbook, at a cost of \$14,326.

11. CONTINGENT LIABILITY

The Association involves itself in selected court actions involving civil liberties. In many cases there is a possibility that the courts order the Association to pay costs. There are no outstanding orders to pay costs and the amount that may become a liability of the Association, if any, cannot be determined.

12. COMMITMENT

The Association has entered into a lease agreement for office premises expiring in November, 2014. Annual lease payments of \$17,725 plus operating costs are required in each of the next three years.

