
FINANCIAL STATEMENTS

**BRITISH COLUMBIA CIVIL
LIBERTIES ASSOCIATION**

December 31, 2020



INDEPENDENT AUDITOR'S REPORT

To the Members of
British Columbia Civil Liberties Association

Qualified Opinion

We have audited the financial statements of British Columbia Civil Liberties Association (the Association), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2020 and the results of its operations 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 not-for-profit organizations, the Association derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to membership and donation revenue, excess of revenues (expenses), and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019, and net assets as at January 1 and December 31 for both the 2020 and 2019 years.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 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.

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities 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:

INDEPENDENT AUDITOR'S REPORT

- 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 Association'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 Association'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 Association 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.

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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies 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 LLP

Vancouver, Canada
April 27, 2021

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31

	2020			2019	
	General	Stabilization	Trust	Total	Total
	Fund	Fund	Fund		
	\$	\$	\$	\$	\$
ASSETS					
Current					
Cash	162,711	9,302	65,884	237,897	253,291
Restricted cash - gaming account	346	—	—	346	339
Accounts receivable <i>[note 3]</i>	24,334	—	—	24,334	55,027
Prepaid expenses	20,156	—	—	20,156	43,287
Interfund balances	288,212	(233,065)	(55,147)	—	—
Total current assets	495,759	(223,763)	10,737	282,733	351,944
Investments, at market value <i>[note 4]</i>					
– administered by the Association	—	289,249	—	289,249	251,196
– subject to trust agreement	—	—	1,060,064	1,060,064	1,181,348
Capital assets <i>[note 5]</i>	163,469	—	—	163,469	198,061
	659,228	65,486	1,070,801	1,795,515	1,982,549
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities <i>[note 6]</i>	62,775	—	—	62,775	79,306
Deferred revenue <i>[note 7]</i>	28,963	—	—	28,963	64,058
Current portion of bank loan <i>[note 15]</i>	25,668	—	—	25,668	26,460
Total current liabilities	117,406	—	—	117,406	169,824
Bank loan <i>[note 15]</i>	41,730	—	—	41,730	64,203
Deferred contributions related to leasehold improvements <i>[note 8]</i>	66,764	—	—	66,764	76,964
Total liabilities	225,900	—	—	225,900	310,991
Fund balances					
Trust fund	—	—	1,070,801	1,070,801	1,084,739
Internally restricted <i>[note 17]</i>	150,000	65,486	—	215,486	74,272
Unrestricted	283,328	—	—	283,328	512,547
Total fund balances	433,328	65,486	1,070,801	1,569,615	1,671,558
	659,228	65,486	1,070,801	1,795,515	1,982,549

Endowment Fund and BCCLA Legacy Trust Fund *[note 9]*Contingent liability *[note 12]*Lease commitment *[note 16]**See accompanying notes to the financial statements*

Approved by:

Treasurer

Director



STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended December 31

	2020				2019
	General	Stabilization	Trust	Total	Total
	Fund	Fund	Fund		
	\$	\$	\$	\$	\$
REVENUE					
Membership and donations	622,489	—	—	622,489	1,137,723
Law Foundation of B.C. – operating grant	380,000	—	—	380,000	380,000
Distributions from BCCLA Legacy Trust Fund <i>[note 9(b)]</i>	255,624	—	—	255,624	—
Grants earned <i>[note 7]</i>	237,327	—	—	237,327	237,542
Net investment income <i>[note 10]</i>	201	28,884	36,062	65,147	180,266
Miscellaneous and special events	38,425	—	—	38,425	25
Wage subsidy - government assistance <i>[note 18]</i>	25,000	—	—	25,000	—
Amortization of deferred contributions <i>[note 8]</i>	10,200	—	—	10,200	10,200
Endowment distributions <i>[note 9(a)]</i>	6,264	—	—	6,264	6,070
Litigation recovery	3,718	—	—	3,718	49,068
	1,579,248	28,884	36,062	1,644,194	2,000,894
EXPENSES					
Salaries and benefits <i>[note 14]</i>	1,361,339	—	—	1,361,339	1,047,621
Office operating	123,008	—	—	123,008	204,021
Rent and utilities	67,498	—	—	67,498	67,177
Contract fees	46,642	—	—	46,642	102,309
Litigation costs	38,657	—	—	38,657	33,939
Amortization	36,345	—	—	36,345	33,748
Partner contributions	22,500	—	—	22,500	15,000
Fundraising	16,066	—	—	16,066	17,170
Newsletter	11,154	—	—	11,154	5,121
Travel and accommodation	9,506	—	—	9,506	27,209
Bank and donation processing charges	8,882	—	—	8,882	13,223
Insurance	4,379	—	—	4,379	4,202
Meetings, publications, events	161	—	—	161	8,357
	1,746,137	—	—	1,746,137	1,579,097
Excess of revenue (expenses) for the year	(166,889)	28,884	36,062	(101,943)	421,797
Interfund transfers <i>[note 13]</i>	87,670	(37,670)	(50,000)	—	—
	(79,219)	(8,786)	(13,938)	(101,943)	421,797
Fund balances, beginning of year	512,547	74,272	1,084,739	1,671,558	1,249,761
Fund balances, end of year	433,328	65,486	1,070,801	1,569,615	1,671,558

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2020			2019	
	General	Stabilization	Trust	Total	Total
	Fund	Fund	Fund		
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Contributions received	909,677	—	—	909,677	1,094,440
Grants received:					
Law Foundation of B.C. - core funding	380,000	—	—	380,000	380,000
- other [note 7]	113,409	—	—	113,409	123,454
Vancouver Foundation [note 7]	57,500	—	—	57,500	100,000
Litigation recovery	3,718	—	—	3,718	49,068
Gaming proceeds received	56,324	—	—	56,324	51,446
Publication, special events and other	38,422	—	—	38,422	25
Income received on investments	201	7,581	32,779	40,561	34,498
Endowment income received	6,264	—	—	6,264	6,070
Cash paid for salaries and benefits	(1,313,665)	—	—	(1,313,665)	(989,560)
Cash paid for materials and services	(390,398)	—	—	(390,398)	(549,422)
Cash used in operating activities	(138,548)	7,581	32,779	(98,188)	300,019
FINANCING AND INVESTING ACTIVITIES					
Purchase of capital assets	(1,753)	—	—	(1,753)	(7,805)
Repayments of bank loan	(23,265)	—	—	(23,265)	(24,208)
Purchase and sale of investments (net)	—	36,627	71,192	107,819	(280,729)
Inter-fund transfers	87,670	(37,670)	(50,000)	—	—
Cash provided by financing and investing activities	62,652	(1,043)	21,192	82,801	(312,742)
Increase (decrease) in cash for the year	(75,896)	6,538	53,971	(15,387)	(12,723)
Cash, beginning of year	238,953	2,764	11,913	253,630	266,353
Cash, end of year	163,057	9,302	65,884	238,243	253,630
Cash consists of:					
Cash	162,711	9,302	65,884	237,897	253,291
Restricted cash - gaming account	346	—	—	346	339
	163,057	9,302	65,884	238,243	253,630

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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 British Columbia Societies Act 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 financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO 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 amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets and the determination of the deferred portion of grants. Actual results could differ from these estimates.

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

The Association follows fund accounting. The major funds are described below:

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fund

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

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.

Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for its investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable. Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, three years for computers and over the term of the lease for leasehold improvements. Amortization expense is reported in the General Fund.

Investments

Investments are recorded at market value.

Contributed Services

Volunteers contribute a significant amount of hours and services 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.

3. ACCOUNTS RECEIVABLE

	2020	2019
	\$	\$
Operations	11,550	43,114
Government - GST	9,213	8,342
Due from endowment fund	3,571	3,571
	24,334	55,027
Allowance for doubtful accounts	—	—
	24,334	55,027

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

4. INVESTMENTS, AT MARKET VALUE

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

	Stabilization Fund		Trust Fund	
	Cost	Fair Value	Cost	Fair Value
	\$	\$	\$	\$
2020				
Canadian and U.S. equities	224,646	289,249	659,574	928,268
Canadian trust units	—	—	35,746	44,278
Exchange traded funds	—	—	68,551	87,518
	224,646	289,249	763,871	1,060,064
2019				
Government and corporate bonds	—	—	149,349	149,446
Canadian and U.S. equities	209,898	251,196	727,870	955,505
Canadian trust units	—	—	25,446	36,651
Exchange traded funds	—	—	32,630	39,746
	209,898	251,196	935,295	1,181,348

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 [note 10].

5. CAPITAL ASSETS

	2020	2019
	\$	\$
Leasehold improvements, at cost	224,213	224,213
Furniture, equipment and computers, at cost	84,771	83,018
Less: accumulated amortization	(145,515)	(109,170)
	163,469	198,061

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
	\$	\$
Operations	40,306	54,101
Government remittances - payroll taxes	20,686	23,568
- WorkSafeBC	1,783	1,637
	62,775	79,306

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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:

	Opening Balance	Awarded or Transferred	Earned	Closing Balance
	\$	\$	\$	\$
2020				
Law Foundation of B.C. - Communications Technology	4,951	5,000	9,951	—
- Public Interest Articling	—	65,000	52,475	12,525
- Other	—	7,759	7,759	—
Vancouver Foundation - Indigenous Restorative Justice	46,180	—	41,178	5,002
- Operating grants	—	55,000	55,000	—
- Other	—	2,500	2,500	—
Province of B.C. - Direct access gaming	527	56,175	56,513	189
Canada Summer Jobs grant	—	9,235	9,235	—
Union grants	—	8,000	—	8,000
Other grants	—	2,716	2,716	—
Total grants	51,658	211,385	237,327	25,716
2020 Gala sponsorships	12,400	2,247	11,400	3,247
	64,058	213,632	248,727	28,963
2019				
Law Foundation of B.C. - Communications Technology	—	25,000	20,049	4,951
- Public Interest Articling	8,300	60,000	68,300	—
- Indigenous Restorative Justice	18,400	25,000	43,400	—
Vancouver Foundation - Indigenous Restorative Justice	—	100,000	53,820	46,180
Province of B.C. - Direct access gaming	—	52,500	51,973	527
2020 Gala sponsorships	—	12,400	—	12,400
	26,700	274,900	237,542	64,058

8. DEFERRED CONTRIBUTION RELATED TO LEASEHOLD IMPROVEMENTS

	2020	2019
	\$	\$
Balance, beginning of year	76,964	87,164
Transfer to revenue	(10,200)	(10,200)
Balance, end of year	66,764	76,964

The deferred contribution represents capital funding received from Province of B.C. that was designated for the Association's leasehold improvements. The contribution has been spent and is being deferred and amortized to income over the term of the lease.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

9. ENDOWMENT FUND AND BCCLA LEGACY TRUST FUND

a) 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, 2020 and 2019 is not reflected in these financial statements.

The endowment fund had a market value of \$169,319 at December 31, 2020 [2019 - \$161,823]. During the year the Association received contributions of \$Nil [2019 - \$460] for the endowment fund. The Association received distributions from the fund of \$6,264 [2019 - \$6,070] which are included in revenue.

b) BCCLA Legacy Trust Fund

The Association receives donations subject to a trust agreement that gives the trustee control over the investment and distribution of the donated funds. The trustee is required to pay the net income realized by the trust fund to the Association but has sole and uncontrolled discretion over the distribution of the trust capital. The activities of the trust fund were as follows:

	2020	2019
	\$	\$
Investment income realized	84,782	79,006
Realized capital losses	(111,496)	(23,602)
Change in market value	173,855	459,103
Distributions included in revenue	(255,624)	—
Change in fund balance	(108,483)	514,507
Fund balance, beginning of year	3,351,683	2,837,176
Fund balance, end of year	3,243,200	3,351,683

As the Association only has the right to receive the distributions from the trust fund and has no access to the trust capital, these financial statements do not reflect this amount as an asset.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

10. NET INVESTMENT INCOME (LOSS)

	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$
2020				
Interest and dividends, net of fees	201	7,581	32,779	40,561
Realized gains (losses) on sales of investments	—	(2,002)	(46,858)	(48,860)
Adjustments of investments to market value	—	23,305	50,141	73,446
	201	28,884	36,062	65,147
2019				
Interest and dividends, net of fees	334	8,596	25,568	34,498
Realized gains on sales of investments	—	63,260	38,571	101,831
Adjustments of investments to market value	—	(29,322)	73,259	43,937
	334	42,534	137,398	180,266

11. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at December 31, 2020.

Credit Risk

Credit risk is the risk that the Association will incur a loss due to the failure by its debtors to meet their contractual obligations. The Association is exposed to credit risk with respect to its cash, investments and accounts receivable. The Society limits its exposure to credit risk by placing its cash in bank accounts with a credit union. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and investments are invested with a large Canadian financial institution.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Association is exposed to this type of risk as a result of investments in bonds and equities. However, the risk associated with investments is reduced as some of these assets are invested in government securities.

Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its cash requirements or fund obligations as they become due. The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

11. FINANCIAL INSTRUMENTS (CONT'D)

Other Price Risk

Other price risk associated with investments in shares is reduced to a minimum, since the Association mitigates the risk by regularly rebalancing its portfolio and investing in the Canadian financial sector.

12. 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.

13. INTERFUND TRANSFERS

At the discretion of the Board, the Association transferred funds from their Stabilization Fund during the year to cover their operations. At the discretion of the Trustee, funds were also transferred from their Trust Fund during the year.

	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$
Cash transfers (to) from fund	83,376	(83,376)	—	—
Securities donated	(45,706)	45,706	—	—
	37,670	(37,670)	—	—
Cash transfers (to) from fund	50,000	—	(50,000)	—
	50,000	—	(50,000)	—
Total	87,670	(37,670)	(50,000)	—

14. EMPLOYEE REMUNERATION

Pursuant to the British Columbia Societies Act, the Association is required to disclose remuneration and benefits paid to employees and contractors who are paid \$75,000 or more during the fiscal year.

During the year, there were six [2019 - five] employees earning over \$75,000. The total amount of remuneration paid to the employees was \$568,977 [2019 - \$514,111], collectively. This is included in salaries and benefits expense.

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

15. BANK LOAN

The Association has a bank loan with Vancity which bears interest at Vancity prime rate plus 0.85%. As at December 31, 2020, the balance was \$67,398 [2019 - \$90,663].

The bank loan bears interest at 3.30% [2019 - 4.80%] and is repayable at \$2,139 per month.

	2020	2019
	\$	\$
Balance, end of year	67,398	90,663
Less: current portion	(25,668)	(26,460)
	41,730	64,203

16. LEASE COMMITMENT

The Association is committed to the following premise lease payments (subject to inflation cost increases) over the next five years:

	\$
2021	55,248
2022	55,248
2023	55,248
2024	55,248
2025	55,248
2026 and after	73,664
	349,904

17. INTERNALLY RESTRICTED NET ASSETS

During the year the board of directors internally restricted a portion of its net assets for:

	\$
Employee leave fund	100,000
Strategic litigation fund	50,000
	150,000

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

18. OTHER - COVID-19

In March 2020, the outbreak of the coronavirus, also known as COVID-19, has spread across the globe and has impacted worldwide economic activity.

The prolonged and sustained transition to remote work as a result of COVID-19 continues to impact operations. The majority of operations will continue to be modified in order to be carried remotely and to support a hybrid in-office/remote model for the indefinite future as distancing restrictions are revised. Only two staff members visit the office on a part time basis. Additional expenses have been incurred to secure the technology to support remote work (e.g. videoconference platforms, home office set up, service subscriptions), and to ensure management and cheque procedures are carried through in accordance with oversight policies and best practices (e.g. delivery and courier services).

A notable impact of COVID-19 was the cancellation of the biennale 2020 Liberty Awards Gala, resulting in a loss of \$77,000 in expected net revenue. To compensate for the significant loss in Gala revenue, the Association considerably increased fundraising efforts without a corresponding increase in staff capacity. This was a contributing factor in mitigating major losses in donation revenue at year-end.

The Association is keeping vigilant of declines in operating funding in future years as indicated by some of its major funders, such as foundations, who rely on disbursements from investments and lawyer trust accounts. As well, the Association has been informed that the capital appreciation and investment returns on its funds at Odlum Brown will be negatively impacted over the next few years.

The COVID-19 pandemic has also had a significant impact on the law reform and litigation work. The Association expects the uncertainty of the pandemic and resultant government responses will continue to affect its substantive legal advocacy and litigation work. The COVID-19 pandemic will also continue to affect the public education, direct information assistance, law reform work, and litigation. The Association expects a sizeable share of its policy and litigation work will include responding to the pandemic, including a robust response to monitor and respond to unreasonable and unjustifiable infringements of civil liberties and privacy rights, while advocating for human rights responses in government measures to ensure marginalized communities are not made more vulnerable.

The Association applied for and received the 10% Temporary Wage Subsidy for the period March 18 to June 19, 2020. The subsidy is equal to 10% on the remuneration paid in the period, up to \$1,375 for each eligible employee, for a maximum total is \$25,000.

19. COMPARATIVE FIGURES

Certain 2019 comparative figures have been reclassified where necessary to conform to the current year's presentation.