

FINANCIAL STATEMENTS

**BRITISH COLUMBIA CIVIL
LIBERTIES ASSOCIATION**

December 31, 2021



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, 2021, 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, 2021 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, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 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 25, 2022

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31

	2021			2020	
	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$	Total \$
ASSETS					
Current					
Cash	171,388	9,575	7,940	188,903	237,377
Restricted cash - gaming account	859	—	—	859	866
Accounts receivable [note 3]	303,694	—	—	303,694	24,334
Prepaid expenses	29,142	—	—	29,142	20,156
Interfund balances	288,210	(233,064)	(55,146)	—	—
Total current assets	793,293	(223,489)	(47,206)	522,598	282,733
Investments, at market value [note 4]					
– administered by the Association	—	371,248	—	371,248	289,249
– subject to trust agreement	—	—	1,338,615	1,338,615	1,060,064
Capital assets [note 5]	185,591	—	—	185,591	163,469
	978,884	147,759	1,291,409	2,418,052	1,795,515
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities [note 6]	113,380	—	—	113,380	62,775
Deferred revenue [note 7]	202,494	—	—	202,494	28,963
Current portion of bank loan [note 15]	25,668	—	—	25,668	25,668
Total current liabilities	341,542	—	—	341,542	117,406
Bank loan [note 15]	17,925	—	—	17,925	41,730
Deferred contributions related to leasehold improvements [note 8]	56,564	—	—	56,564	66,764
Total liabilities	416,031	—	—	416,031	225,900
Fund balances					
Trust fund	—	—	1,291,409	1,291,409	1,070,801
Internally restricted [note 17]	150,000	147,759	—	297,759	215,486
Unrestricted	412,853	—	—	412,853	283,328
Total fund balances	562,853	147,759	1,291,409	2,002,021	1,569,615
	978,884	147,759	1,291,409	2,418,052	1,795,515

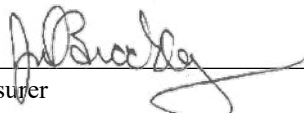
Endowment Fund and BCCLA Legacy Trust Fund [note 9]

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

	2021			2020	
	General Fund	Stabilization Fund	Trust Fund	Total	Total
	\$	\$	\$	\$	\$
REVENUE					
Membership and donations	748,607	—	—	748,607	622,489
Litigation recovery	451,753	—	—	451,753	3,718
Law Foundation of B.C. – operating grant	380,000	—	—	380,000	380,000
Net investment income <i>[note 10]</i>	12	61,059	220,608	281,679	65,147
Grants earned <i>[note 7]</i>	275,694	—	—	275,694	237,327
Amortization of deferred contributions <i>[note 8]</i>	10,200	—	—	10,200	10,200
Miscellaneous and special events	7,169	—	—	7,169	38,425
Endowment distributions <i>[note 9(a)]</i>	6,316	—	—	6,316	6,264
Distributions from BCCLA Legacy Trust Fund <i>[note 9(b)]</i>	—	—	—	—	255,624
Wage subsidy - government assistance <i>[note 18]</i>	—	—	—	—	25,000
	1,879,751	61,059	220,608	2,161,418	1,644,194
EXPENSES					
Salaries and benefits <i>[note 14]</i>	1,317,909	—	—	1,317,909	1,361,339
Office operating	121,122	—	—	121,122	123,008
Rent and utilities	69,084	—	—	69,084	67,498
Contract fees	64,171	—	—	64,171	46,642
Amortization	41,839	—	—	41,839	36,345
Litigation costs	35,463	—	—	35,463	38,657
Fundraising	23,136	—	—	23,136	16,066
Partner contributions	15,000	—	—	15,000	22,500
Departmental development	11,638	—	—	11,638	9,506
Newsletter	9,903	—	—	9,903	11,154
Bank and donation processing charges	9,760	—	—	9,760	8,882
Meetings, publications, events	5,764	—	—	5,764	161
Insurance	4,223	—	—	4,223	4,379
	1,729,012	—	—	1,729,012	1,746,137
Excess of revenue (expenses) for the year	150,739	61,059	220,608	432,406	(101,943)
Interfund transfers <i>[note 13]</i>	(21,214)	21,214	—	—	—
	129,525	82,273	220,608	432,406	(101,943)
Fund balances, beginning of year	433,328	65,486	1,070,801	1,569,615	1,671,558
Fund balances, end of year	562,853	147,759	1,291,409	2,002,021	1,569,615

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2021			2020	
	General	Stabilization	Trust	Total	Total
	Fund	Fund	Fund	\$	\$
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Contributions received	453,302	—	—	453,302	909,677
Grants received:					
Law Foundation of B.C. - core funding	380,000	—	—	380,000	380,000
- other	281,536	—	—	281,536	113,409
Vancouver Foundation	100,000	—	—	100,000	57,500
Litigation recovery	451,753	—	—	451,753	3,718
Gaming proceeds received	67,689	—	—	67,689	56,324
Publication, special events and other	7,171	—	—	7,171	38,422
Income received on investments	12	10,319	36,631	46,962	40,561
Endowment income received	6,316	—	—	6,316	6,264
Cash paid for salaries and benefits	(1,308,691)	—	—	(1,308,691)	(1,313,665)
Cash paid for materials and services	(320,918)	—	—	(320,918)	(390,398)
Cash provided by (used in) operating activities	118,170	10,319	36,631	165,120	(98,188)
INVESTING ACTIVITIES					
Purchase of capital assets	(63,961)	—	—	(63,961)	(1,753)
Purchase and sale of investments (net)	—	(31,260)	(94,575)	(125,835)	107,819
Cash provided by (used in) investing activities	(63,961)	(31,260)	(94,575)	(189,796)	106,066
FINANCING ACTIVITIES					
Repayments of bank loan	(23,805)	—	—	(23,805)	(23,265)
Inter-fund transfers	(21,214)	21,214	—	—	—
Cash provided by (used in) financing activities	(45,019)	21,214	—	(23,805)	(23,265)
Increase (decrease) in cash for the year	9,190	273	(57,944)	(48,481)	(15,387)
Cash, beginning of year	163,057	9,302	65,884	238,243	253,630
Cash, end of year	172,247	9,575	7,940	189,762	238,243
Cash consists of:					
Cash	171,388	9,575	7,940	188,903	237,377
Restricted cash - gaming account	859	—	—	859	866
	172,247	9,575	7,940	189,762	238,243

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021

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, 2021

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

	2021	2020
	\$	\$
Operations	300,160	11,550
Government - GST	3,534	9,213
Due from endowment fund	—	3,571
	303,694	24,334
Allowance for doubtful accounts	—	—
	303,694	24,334

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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
	\$	\$	\$	\$
2021				
Canadian and U.S. equities	208,286	321,251	772,674	1,191,229
Canadian trust units and mutual funds	23,203	26,386	42,387	59,700
Exchange traded funds	20,903	23,611	68,551	87,686
	252,392	371,248	883,612	1,338,615
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

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

	2021	2020
	\$	\$
Leasehold improvements, at cost	288,173	224,213
Furniture, equipment and computers, at cost	84,771	84,771
Less: accumulated amortization	(187,353)	(145,515)
	185,591	163,469

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
	\$	\$
Operations	111,173	40,306
Government remittances - payroll taxes	—	20,686
- WorkSafeBC	2,207	1,783
	113,380	62,775

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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 \$
2021				
Law Foundation of B.C. - Public Interest Articling	12,525	32,000	44,525	—
- Smartphone Privacy	—	12,500	—	12,500
- Other	—	65,479	65,479	—
Vancouver Foundation - Indigenous Restorative Justice	5,002	100,000	32,500	72,502
- Other	—	20,000	20,000	—
Province of B.C. - Direct access gaming	189	67,500	67,689	—
CIRA Smartphone	—	89,992	—	89,992
Notary Foundation	—	25,000	—	25,000
Union grants	8,000	19,500	27,500	—
Other grants	—	20,501	18,001	2,500
Total grants	25,716	452,472	275,694	202,494
2020 Gala sponsorships	3,247	—	3,247	—
	28,963	452,472	278,941	202,494
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

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

8. DEFERRED CONTRIBUTION RELATED TO LEASEHOLD IMPROVEMENTS

	2021	2020
	\$	\$
Balance, beginning of year	66,764	76,964
Transfer to revenue	(10,200)	(10,200)
Balance, end of year	56,564	66,764

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.

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, 2021 and 2020 is not reflected in these financial statements.

The endowment fund had a market value of \$182,953 at December 31, 2021 [2020 - \$169,319]. During the year the Association received contributions of \$100 [2020 - \$Nil] for the endowment fund. The Association received distributions from the fund of \$6,316 [2020 - \$6,264] 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:

	2021	2020
	\$	\$
Investment income realized	91,085	84,782
Realized capital losses	120,427	(111,496)
Change in market value	924,850	173,855
Distributions included in revenue	—	(255,624)
Change in fund balance	1,136,362	(108,483)
Fund balance, beginning of year	3,243,200	3,351,683
Fund balance, end of year	4,379,562	3,243,200

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, 2021

10. NET INVESTMENT INCOME

	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$
2021				
Interest and dividends, net of fees	12	10,319	36,631	46,962
Realized gains (losses) on sales of investments	—	(3,525)	25,167	21,642
Adjustments of investments to market value	—	54,265	158,810	213,075
	12	61,059	220,608	281,679
2020				
Interest and dividends, net of fees	201	7,581	32,779	40,561
Realized 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

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, 2021.

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, 2021

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 \$
Securities donated	(21,214)	21,214	—	—

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 eight [2020 - six] employees earning over \$75,000. The total amount of remuneration paid to the employees was \$760,890 [2020 - \$568,977], collectively. This is included in salaries and benefits expense.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

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, 2021, the balance was \$43,593 [2020 - \$67,398].

The bank loan bears interest at 3.30% [2020 - 3.30%] and is repayable at \$2,139 per month.

	2021	2020
	\$	\$
Balance, end of year	43,593	67,398
Less: current portion	(25,668)	(25,668)
	17,925	41,730

16. LEASE COMMITMENT

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

	\$
2022	55,248
2023	55,248
2024	55,248
2025	55,248
2026	55,248
2027 and after	18,416
	294,656

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

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2021

18. OTHER - COVID-19 (CONT'D)

While COVID-19 continues to affect operations, the Association has solidified the systems it created to address the impacts of the pandemic and the forced switch to remote conditions. The majority of accounting and office processes will remain operationalized to support a hybrid in-office/remote model for the indefinite future as distancing restrictions are revised and the Association make a slow and partial return to in-person work. Currently, a handful of staff members visit the office on a part time basis. In the coming weeks the Association will replace its COVID-19 Safety Policy with a Communicable Disease Plan, accompanied by a structured return to partial in-person work. The Association have incorporated pandemic-related expenses (e.g. videoconference platforms, home office set up, service subscriptions, air purifiers, etc) into the ongoing budgeting cycle. More importantly, the Association transitioned out of processing payments by cheque and into direct deposits via Plooto software. This has significantly reduced the physical contact and logistics that were previously required to authorize payments (i.e. the signing of cheques and related couriers), while remaining compliant with the Association's policies and with general best practices.

The 2022 Liberty Awards Gala was held in the form of a small virtual ceremony accompanied by a fundraising campaign. As the Association worked towards an in-person 2022 Youth Conference, the planning and preparations engaged in during the 2021 fiscal were halted by the emergence of the Omicron strain. The Association was forced to move the event to an online format. As the possibility of large-scale events remains tenuous, the Association has redirected fundraising efforts away from in-person events for the foreseeable future. The Association has reduced some engagement expenses budget lines in order to compensate for the loss of revenue that such events usually confer.

Despite COVID-19 increasing the volatility of market investments, the market value of Odlum Brown investments has remained stable over the past twelve months, partly due to the fact the Association didn't need to withdraw funds during the year. The Association is pleased that core funders have renewed their support, especially those who rely on disbursements from investments and lawyer trust accounts, such as the Law Foundation of BC. Despite having secured core funding until 2024, the grant rates will have seen no increase in the span of five years since 2019.

As predicted, a sizeable share of the Association's policy and public legal education work was dedicated to matters related to COVID-19, including drafting and finalizing organizational positions on vaccine mandates, workshops and webinars on how the pandemic exacerbated structural inequalities for marginalized communities, border and immigration renegotiations, and more recently the invocation of the Emergencies Act as a way to address pandemic-adjacent protests. The Association is continuously called by the public to speak on the relationship between civil liberties and public health orders and where the two may enter into conflict. The Association expect this kind of solicitation will continue for the next few years or until COVID-10 becomes endemic.