



BC CIVIL LIBERTIES ASSOCIATION

Annual General Meeting

AGENDA

Thursday, June 15, 5:45 pm EST

Held virtually via Zoom

Membership Notice: The BCCLA will be recording this event for future use. Please keep your camera turned off if you do not wish to appear on screen and use the comment box if you do not wish for your voice to be recorded.

ANNUAL GENERAL MEETING:

1. Call to order (Karen Mirsky, President and Chair)
2. Approval of the Agenda
3. Approval of the Minutes of 2022 AGM, June 15th (Attachment) (**Page 1**)
4. Consideration of the 2022 Audited Financial Statements (Derek Brackley, Treasurer) (attachment) (**Page 4**)

Motion: "That the membership receive the audited statements for January 1 – December 31, 2022."
5. Appointment of the Auditor for 2023 (Derek Brackley, Treasurer)

Motion: "That the firm of Tompkins, Wozny, LLP. be appointed as BCCLA auditor for 2023."
6. Executive Director Report to the Community (Liza Hughes, Executive Director)
7. Closing remarks and Adjournment (Karen Mirsky, President and Chair)



BC CIVIL LIBERTIES ASSOCIATION
ANNUAL GENERAL MEETING
Minutes for June 15, 2022, 6:00 pm

Held remotely via Zoom

In attendance: 25 current members in good standing, 9 staff members, 1 supporter without voting rights, and 3 captioners and ASL interpreters for a total attendance of 38.

1. Land Acknowledgment and Welcome

1. Karen Mirsky provided a land acknowledgment: The BCCLA is based on the unceded Coast Salish territory of the Musqueam, Squamish, and Tsleil-Waututh First Nations. Karen invited everyone to reflect on where they are and the impact on Indigenous people by colonization, including in overrepresentation in the justice system, in incarceration, in homelessness.
2. Karen Mirsky asked participants to share in the chat the territory from which they were joining. Kyla was joining from Secwepemc territory. Ian came from the territories of the Kwikwetlem peoples. Anisa is on Snuneymuxw Territory, protected under the Douglas Treaty of 1854 (Pre-Confederation), Nanaimo, BC. Paul Schacter came from the Lekwungen speaking people. Songhees and Esquimalt nations.
3. Karen Mirsky provided an update on the meeting's Close Captioning and ASL Live Interpretation options, as well as how to use those.
4. Karen Mirsky explained how voting would be taking place.
5. Karen Mirsky provided an update on the history of the BCCLA. BCCLA is the oldest and most active civil liberties association in Canada. The work of the BCCLA spans issues in a wide array of areas, which Karen outlined. Karen described the mandate of the BCCLA and how it is accomplished: public education, law and policy reform, and litigation. Karen also thanked new members for joining and old members for ongoing support.

2. Board Election Results Announcement

1. Karen Mirsky announced the results of the BCCLA election. The BCCLA accepted 4 nominations for 6 available seats on the Board of Directors. As a result, BCCLA did not have a formal voting election, and the following board candidates were elected as directors by acclamation as of the 2022 AGM:
 1. Anisa White
 2. Wassim Garzouzi
 3. Derek Brackely

4. Kevin Millsip

2. Karen thanked the outgoing board members for their service to the BCCLA.

3. Approval of AGM Agenda

1. Vanessa Wolff moved to approve the AGM agenda. Joel Deziel seconded the motion.

1. Herschel Hardin moved to amend the agenda to include a section for members questions and discussion. Michael seconded Herschel's motion. Voting took place on the proposed amendment. The motion did not pass. 38% were in favour. 50% were opposed. 12% abstained.

2. Voting took place to approve the AGM agenda. The motion passed with 94% in favour, and one abstention.

4. Approval of 2021 AGM Minutes

1. Kyla Lee moved to approve the minutes. Motion seconded by Ian Bushfield. Motion passes with 87% in favour. 13% abstained. No opposition. Motion passes.

5. Special Resolution to Change the Bylaws of the Association

1. A special resolution was presented to reduce the Board to a minimum of 11 member sand a maximum of 15 directors.

2. The motion is that: Section 7.4 of the Bylaws of the Society be decided by special resolution to be approved by the membership as follows:

PROPOSED BYLAW CHANGES

7.4 Composition of Board:

The Board will be composed of a minimum of fifteen (15) eleven (11) and a maximum of twenty four (24) fifteen (15) Directors, such the exact number to be determined by Board Resolution from time to time, each of whom will be elected or appointed in accordance with these Bylaws.

3. Ian Bushfield moved to approve the Special Resolution. Seconded by Kyla Lee. Voting took place. 88% voted in favour. 6% were opposed. 6% abstained. The resolution passes.

6. Consideration of the 2021 Audited Financial Statements

1. Derek Brackley presented the audited financial statements, which were distributed by email in advance of the meeting.

2. Vanessa Wolff moved to receive the audited financial statements for 2021. Ian Bushfield seconded. Voting took place. The motion passes. 93% in favour. 7% abstaining.

7. Appointment of an Auditor for 2022

1. Derek Brackley moved to appoint the firm Tompkins Wozny Miller & Co. as BCCLA auditor for 2022. Seconded by Paul Schachter. Voting took place. The motion passes. 94% in favour. 6% abstaining.

8. This Concluded Formal Business

9. Staff Report

1. Stephanie Goodwin, interim Executive Director, delivered a report on the activities of the BCCLA.
2. Steph Goodwin thanked the Board and Staff for their work over the past year.
3. Steph Goodwin provided an update on what work the BCCLA had done over the last year.

10. Karen concluded the meeting.

1. Dylan Williams moved to adjourn the AGM. Anisa White seconded. Motion passes.

/ib

FINANCIAL STATEMENTS

**BRITISH COLUMBIA CIVIL
LIBERTIES ASSOCIATION**

December 31, 2022



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, 2022, 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, 2022 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, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 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
May 29, 2023

Chartered Professional Accountants

British Columbia Civil Liberties Association

STATEMENT OF FINANCIAL POSITION

As at December 31

	2022			2021	
	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$	Total \$
ASSETS					
Current					
Cash	181,628	19,849	4,983	206,460	188,903
Restricted cash - gaming account	719	—	—	719	859
Accounts receivable [note 3]	417,450	—	—	417,450	303,694
Prepaid expenses	31,562	—	—	31,562	29,142
Interfund balances	238,210	(233,065)	(5,145)	—	—
Total current assets	869,569	(213,216)	(162)	656,191	522,598
Investments, at market value [note 4]					
– administered by the Association	—	342,713	—	342,713	371,248
– subject to trust agreement	—	—	1,191,126	1,191,126	1,338,615
Capital assets [note 5]	156,292	—	—	156,292	185,591
	1,025,861	129,497	1,190,964	2,346,322	2,418,052
LIABILITIES AND FUND BALANCES					
Current liabilities					
Accounts payable and accrued liabilities [note 6]	36,713	—	—	36,713	113,380
Deferred revenue [note 7]	152,125	—	—	152,125	202,494
Current portion of bank loan [note 15]	19,222	—	—	19,222	25,668
Total current liabilities	208,060	—	—	208,060	341,542
Bank loan [note 15]	—	—	—	—	17,925
Deferred contributions related to leasehold improvements [note 8]	46,364	—	—	46,364	56,564
Total liabilities	254,424	—	—	254,424	416,031
Fund balances					
Trust fund	—	—	1,190,964	1,190,964	1,291,409
Internally restricted [note 17]	150,000	129,497	—	279,497	297,759
Unrestricted	621,437	—	—	621,437	412,853
Total fund balances	771,437	129,497	1,190,964	2,091,898	2,002,021
	1,025,861	129,497	1,190,964	2,346,322	2,418,052

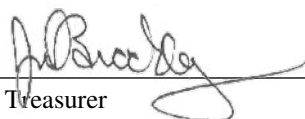
Endowment Fund and BCCLA Legacy Trust Fund [note 9]

Contingent liability [note 12]

Lease commitment [note 16]

See accompanying notes to the financial statements

Approved by:



Treasurer



Director


British Columbia Civil Liberties Association

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended December 31

	2022			2021	
	General	Stabilization	Trust	Total	Total
	Fund	Fund	Fund		
	\$	\$	\$	\$	\$
REVENUE					
Grants earned [note 7]	484,325	—	—	484,325	275,694
Membership and donations	430,234	—	—	430,234	748,607
Distributions from BCCLA Legacy Trust Fund [note 9]	400,000	—	—	400,000	—
Law Foundation of B.C. – operating grant	380,000	—	—	380,000	380,000
Litigation recovery	63,270	—	—	63,270	451,753
Amortization of deferred contributions [note 8]	10,200	—	—	10,200	10,200
Endowment distributions [note 9(a)]	7,400	—	—	7,400	6,316
Miscellaneous and special events	150	—	—	150	7,169
Net investment income [note 10]	875	(33,687)	(100,445)	(133,257)	281,679
	1,776,454	(33,687)	(100,445)	1,642,322	2,161,418
EXPENSES					
Salaries and benefits [note 14]	1,154,199	—	—	1,154,199	1,317,909
Office operating	137,207	—	—	137,207	121,122
Rent and utilities	73,047	—	—	73,047	69,084
Contract fees	67,428	—	—	67,428	64,171
Amortization	42,463	—	—	42,463	41,839
Partner contributions	24,140	—	—	24,140	15,000
Litigation costs	12,494	—	—	12,494	35,463
Newsletter	9,160	—	—	9,160	9,903
Meetings, publications, events	8,036	—	—	8,036	5,764
Fundraising	7,436	—	—	7,436	23,136
Bank and donation processing charges	7,315	—	—	7,315	9,760
Insurance	5,352	—	—	5,352	4,223
Departmental development	4,168	—	—	4,168	11,638
	1,552,445	—	—	1,552,445	1,729,012
Excess of revenue (expenses) for the year	224,009	(33,687)	(100,445)	89,877	432,406
Interfund transfers [note 13]	(15,425)	15,425	—	—	—
	208,584	(18,262)	(100,445)	89,877	432,406
Fund balances, beginning of year	562,853	147,759	1,291,409	2,002,021	1,569,615
Fund balances, end of year	771,437	129,497	1,190,964	2,091,898	2,002,021

See accompanying notes to the financial statements

British Columbia Civil Liberties Association

STATEMENT OF CASH FLOWS

Year ended December 31

	2022			2021	
	General	Stabilization	Trust	Total	Total
	Fund	Fund	Fund		
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Contributions received	710,572	—	—	710,572	453,302
Grants received:					
Law Foundation of B.C. - core funding	380,000	—	—	380,000	380,000
- other	256,956	—	—	256,956	281,536
Vancouver Foundation	100,000	—	—	100,000	100,000
Litigation recovery	63,270	—	—	63,270	451,753
Gaming proceeds received	77,000	—	—	77,000	67,689
Publication, special events and other	150	—	—	150	7,171
Income received on investments	875	11,384	37,848	50,107	46,962
Endowment income received	7,400	—	—	7,400	6,316
Cash paid for salaries and benefits	(1,144,906)	—	—	(1,144,906)	(1,308,691)
Cash paid for materials and services	(438,257)	—	—	(438,257)	(320,918)
Cash provided by (used in) operating activities	13,060	11,384	37,848	62,292	165,120
INVESTING ACTIVITIES					
Purchase of capital assets	(13,163)	—	—	(13,163)	(63,961)
(Purchase) sale of investments, net	—	(16,535)	(40,805)	(57,340)	(125,835)
Cash provided by (used in) investing activities	(13,163)	(16,535)	(40,805)	(70,503)	(189,796)
FINANCING ACTIVITIES					
Repayments of bank loan	(24,371)	—	—	(24,371)	(23,805)
Inter-fund transfers	34,575	15,425	—	50,000	—
Cash provided by (used in) financing activities	10,204	15,425	—	25,629	(23,805)
Increase (decrease) in cash for the year	10,101	10,274	(2,957)	17,418	(48,481)
Cash, beginning of year	172,247	9,575	7,940	189,762	238,243
Cash, end of year	182,348	19,849	4,983	207,180	189,762
Cash consists of:					
Cash	181,629	19,849	4,983	206,461	188,903
Restricted cash - gaming account	719	—	—	719	859
	182,348	19,849	4,983	207,180	189,762

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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, 2022

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, 2022

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

	2022	2021
	\$	\$
Operations	415,327	300,160
Government - GST	2,123	3,534
	417,450	303,694
Allowance for doubtful accounts	—	—
	417,450	303,694

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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
	\$	\$	\$	\$
2022				
Canadian and U.S. equities	208,266	282,387	810,959	1,061,859
Canadian trust units and mutual funds	39,759	38,759	60,465	71,493
Exchange traded funds	21,154	21,567	49,073	57,774
	269,179	342,713	920,497	1,191,126
2021				
Canadian and U.S. equities	208,286	321,251	772,674	1,191,229
Canadian trust units	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

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

	2022	2021
	\$	\$
Leasehold improvements, at cost	298,643	288,173
Furniture, equipment and computers, at cost	87,466	84,771
Less: accumulated amortization	(229,817)	(187,353)
	156,292	185,591

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Operations	34,605	111,173
Government remittances - WorkSafeBC	2,108	2,207
	36,713	113,380

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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 \$
2022				
Law Foundation of B.C. - Public Interest Articling	—	139,500	87,375	52,125
- Other	—	11,125	11,125	—
Vancouver Foundation - Indigenous Restorative Justice	72,502	100,000	87,502	85,000
Law Foundation of Ontario - Smartphone Privacy	12,500	12,500	25,000	—
Province of B.C. - Direct access gaming	—	77,000	77,000	—
CIRA Smartphone	89,992	—	89,992	—
Notary Foundation	25,000	—	25,000	—
Union grants	—	18,400	18,400	—
Other grants	2,500	75,431	62,931	15,000
Total grants	202,494	433,956	484,325	152,125
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

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

8. DEFERRED CONTRIBUTION RELATED TO LEASEHOLD IMPROVEMENTS

	2022	2021
	\$	\$
Balance, beginning of year	56,564	66,764
Transfer to revenue	(10,200)	(10,200)
Balance, end of year	46,364	56,564

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, 2022 and 2021 is not reflected in these financial statements.

The endowment fund had a market value of \$161,781 at December 31, 2022 [2021 - \$182,953]. During the year the Association received contributions of \$235 [2021 - \$100] for the endowment fund. The Association received distributions from the fund of \$7,400 [2021 - \$6,316] 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:

	2022	2021
	\$	\$
Investment income realized	83,462	91,085
Realized capital gains	330,212	120,427
Change in market value	(775,358)	924,850
Distributions included in revenue	(400,000)	—
Change in fund balance	(761,684)	1,136,362
Fund balance, beginning of year	4,379,562	3,243,200
Fund balance, end of year	3,617,878	4,379,562

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, 2022

10. NET INVESTMENT INCOME

	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$
2022				
Interest and dividends, net of fees	875	11,384	37,848	50,107
Realized gains (losses) on sales of investments	—	—	46,081	46,081
Adjustments of investments to market value	—	(45,071)	(184,374)	(229,445)
	875	(33,687)	(100,445)	(133,257)
2021				
Interest and dividends, net of fees	12	10,319	36,631	46,962
Realized 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

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, 2022.

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 Association 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, 2022

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	(15,425)	15,425	—	—

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 four [2021 - eight] employees earning over \$75,000. The total amount of remuneration paid to the employees was \$358,449 [2021 - \$760,890], collectively. This is included in salaries and benefits expense.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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, 2022, the balance was \$19,222 [2021 - \$43,593].

The bank loan bears interest at 7.30% [2021 - 3.30%] and is repayable at \$2,191 per month.

	2022	2021
	\$	\$
Balance, end of year	19,222	43,593
Less: current portion	(19,222)	(25,668)
	—	17,925

16. LEASE COMMITMENT

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

	\$
2023	55,248
2024	55,248
2025	55,248
2026	55,248
2027	18,416
	239,408

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, spread across the globe and impacted worldwide economic activity.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

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. In June 2022, the Association introduced a Communicable Disease Plan and transitioned to a hybrid work model whereby staff work at the office 2-3 days a week and at home the remainder of the week. Currently, a small number of staff work in-person at the office full time. 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 and 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.

Among the many repercussions of the COVID-19 pandemic, inflation was recorded in 2022 at a 40-year high with the price of necessities, like food and shelter, soaring to a staggering 17% compared to 2020. This has made it imperative for the Association to implement supplemental sources of compensation and support for employees while many sources of funding have not increased in proportion to such efforts.

The Association's 2022 Youth Conference, originally envisioned as an in-person event, moved to a virtual format after the emergence of the Omicron strain in December of 2021. While large-scale events remain subject to current public health orders and the extent to which we can keep attendees safe, the Association has resumed some in-person events. The 2023 Youth Conference was successfully held in person in March 2023. The Association will continue assessing the feasibility of in-person events while considering the accessibility and ease entailed by virtual events.

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, tenancy rights, youth rights. The Association expect this kind of solicitation will continue for the next few years or until COVID-19 becomes endemic.