
FINANCIAL STATEMENTS

**BRITISH COLUMBIA CIVIL
LIBERTIES ASSOCIATION**

December 31, 2023



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, 2023, 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, 2023 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, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 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 13, 2024

Chartered Professional Accountants

STATEMENT OF FINANCIAL POSITION

As at December 31

	2023			2022	
	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$	Total \$
ASSETS					
Current					
Cash	122,078	30,653	5,042	157,773	206,460
Restricted cash - gaming account	726	—	—	726	719
Accounts receivable [note 3]	283,076	—	—	283,076	417,450
Prepaid expenses	31,246	—	—	31,246	31,562
Interfund balances	236,966	(233,064)	(3,902)	—	—
Total current assets	674,092	(202,411)	1,140	472,821	656,191
Investments, at market value [note 4]					
– administered by the Association	—	393,174	—	393,174	342,713
– subject to trust agreement	—	—	1,259,898	1,259,898	1,191,126
Capital assets [note 5]	116,033	—	—	116,033	156,292
	790,125	190,763	1,261,038	2,241,926	2,346,322
LIABILITIES					
Current					
Accounts payable and accrued liabilities [note 6]	38,964	—	—	38,964	36,713
Deferred revenue [note 7]	162,161	—	—	162,161	152,125
Current portion of bank loan [note 15]	—	—	—	—	19,222
Total current liabilities	201,125	—	—	201,125	208,060
Deferred contributions related to leasehold improvements [note 8]	36,164	—	—	36,164	46,364
	237,289	—	—	237,289	254,424
FUND BALANCES					
Trust fund	—	—	1,261,038	1,261,038	1,190,964
Internally restricted [note 17]	150,000	190,763	—	340,763	279,497
Unrestricted	402,836	—	—	402,836	621,437
	552,836	190,763	1,261,038	2,004,637	2,091,898
	790,125	190,763	1,261,038	2,241,926	2,346,322

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

	2023			2022	
	General Fund	Stabilization Fund	Trust Fund	Total	Total
	\$	\$	\$	\$	\$
REVENUE					
Grants earned <i>[note 7]</i>	500,098	—	—	500,098	484,325
Law Foundation of B.C. – operating grant	389,500	—	—	389,500	380,000
Membership and donations	390,545	—	—	390,545	430,234
Distributions from BCCLA Legacy Trust Fund <i>[note 9(b)]</i>	200,000	—	—	200,000	400,000
Net investment income (loss) <i>[note 10]</i>	28	46,240	70,074	116,342	(133,257)
Amortization of deferred contributions <i>[note 8]</i>	10,200	—	—	10,200	10,200
Endowment distributions <i>[note 9(a)]</i>	7,885	—	—	7,885	7,400
Miscellaneous and special events	2,598	—	—	2,598	150
Litigation recovery	—	—	—	—	63,270
	1,500,854	46,240	70,074	1,617,168	1,642,322
EXPENSES					
Salaries and benefits <i>[note 14]</i>	1,292,140	—	—	1,292,140	1,154,199
Contract fees	119,029	—	—	119,029	67,428
Office operating	102,025	—	—	102,025	137,207
Rent and utilities	76,399	—	—	76,399	73,047
Amortization	42,689	—	—	42,689	42,463
Partner contributions	24,287	—	—	24,287	24,140
Departmental development	11,675	—	—	11,675	4,168
Newsletter	9,449	—	—	9,449	9,160
Litigation costs	7,216	—	—	7,216	12,494
Fundraising	6,947	—	—	6,947	7,436
Bank and donation processing charges	5,844	—	—	5,844	7,315
Insurance	5,684	—	—	5,684	5,352
Meetings, publications, events	1,045	—	—	1,045	8,036
	1,704,429	—	—	1,704,429	1,552,445
Excess of revenue (expenses) for the year	(203,575)	46,240	70,074	(87,261)	89,877
Interfund transfers <i>[note 13]</i>	(15,026)	15,026	—	—	—
	(218,601)	61,266	70,074	(87,261)	89,877
Fund balances, beginning of year	771,437	129,497	1,190,964	2,091,898	2,002,021
Fund balances, end of year	552,836	190,763	1,261,038	2,004,637	2,091,898

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2023			2022	
	General	Stabilization	Trust	Total	Total
	Fund	Fund	Fund	\$	\$
	\$	\$	\$	\$	\$
OPERATING ACTIVITIES					
Contributions received	599,191	—	—	599,191	710,572
Grants received:					
Law Foundation of B.C. - core funding	389,500	—	—	389,500	380,000
- other	256,882	—	—	256,882	149,500
Canadian Red Cross	139,940	—	—	139,940	—
Other	162,512	—	—	162,512	107,456
Vancouver Foundation	—	—	—	—	100,000
Litigation recovery	—	—	—	—	63,270
Gaming proceeds received	77,000	—	—	77,000	77,000
Publication, special events and other	2,598	—	—	2,598	150
Income received on investments	28	11,288	40,262	51,578	50,107
Endowment income received	7,885	—	—	7,885	7,400
Cash paid for salaries and benefits	(1,292,702)	—	—	(1,292,702)	(1,144,906)
Cash paid for materials and services	(366,943)	—	—	(366,943)	(438,257)
Cash provided by (used in) operating activities	(24,109)	11,288	40,262	27,441	62,292
INVESTING ACTIVITIES					
Purchase of capital assets	(2,430)	—	—	(2,430)	(13,163)
Purchase of investments, net	—	(15,510)	(40,203)	(55,713)	(57,340)
Cash used in investing activities	(2,430)	(15,510)	(40,203)	(58,143)	(70,503)
FINANCING ACTIVITIES					
Repayments of bank loan	(19,222)	—	—	(19,222)	(24,372)
Inter-fund transfers	(13,782)	15,026	—	1,244	50,000
Cash provided by (used in) financing activities	(33,004)	15,026	—	(17,978)	25,628
Increase (decrease) in cash for the year	(59,543)	10,804	59	(48,680)	17,417
Cash, beginning of year	182,347	19,849	4,983	207,179	189,762
Cash, end of year	122,804	30,653	5,042	158,499	207,179
Cash consists of:					
Cash	122,078	30,653	5,042	157,773	206,460
Restricted cash - gaming account	726	—	—	726	719
	122,804	30,653	5,042	158,499	207,179

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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, 2023

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, 2023

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

	2023	2022
	\$	\$
Operations	281,418	415,327
Government - GST	1,658	2,123
	283,076	417,450
Allowance for doubtful accounts	—	—
	283,076	417,450

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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
	\$	\$	\$	\$
2023				
Canadian and U.S. equities	208,265	314,347	610,121	880,095
Canadian trust units and mutual funds	55,269	55,468	131,048	131,454
Exchange traded funds	21,904	23,359	42,731	50,940
Fixed income and GIC	—	—	195,631	197,409
	285,438	393,174	979,531	1,259,898
2022				
Canadian and U.S. equities	208,286	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
	269,199	342,713	920,497	1,191,126

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

	2023	2022
	\$	\$
Leasehold improvements, at cost	298,643	298,643
Furniture, equipment and computers, at cost	89,896	87,466
Less: accumulated amortization	(272,506)	(229,817)
	116,033	156,292

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
	\$	\$
Operations	35,553	34,605
Government remittances - WorkSafeBC	3,411	2,108
	38,964	36,713

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

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 \$
2023				
Law Foundation of B.C. - Public Interest Articling	52,125	80,500	69,500	63,125
- Arrest Guide and other	—	55,257	55,257	—
Vancouver Foundation - Indigenous Restorative Justice	85,000	—	85,000	—
Province of B.C. - Direct access gaming	—	77,000	77,000	—
Canadian Red Cross - Building Resilience	—	139,940	114,237	25,703
CIRA - Children Privacy	—	95,000	31,667	63,333
Union grants	—	18,997	18,997	—
Other grants	15,000	43,440	48,440	10,000
Total grants	152,125	510,134	500,098	162,161
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

8. DEFERRED CONTRIBUTION RELATED TO LEASEHOLD IMPROVEMENTS

	2023 \$	2022 \$
Balance, beginning of year	46,364	56,564
Transfer to revenue	(10,200)	(10,200)
Balance, end of year	36,164	46,364

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, 2023

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, 2023 and 2022 is not reflected in these financial statements.

The endowment fund had a market value of \$170,411 at December 31, 2023 [2022 - \$161,781]. During the year the Association received contributions of \$Nil [2022 - \$235] for the endowment fund. The Association received distributions from the fund of \$7,885 [2022 - \$7,400] 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:

	2023	2022
	\$	\$
Investment income realized	77,468	83,462
Realized capital gains	162,226	330,212
Change in market value	135,119	(775,358)
Distributions included in revenue	(200,000)	(400,000)
Change in fund balance	174,813	(761,684)
Fund balance, beginning of year	3,617,878	4,379,562
Fund balance, end of year	3,792,691	3,617,878

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, 2023

10. NET INVESTMENT INCOME

	General Fund \$	Stabilization Fund \$	Trust Fund \$	Total \$
2023				
Interest and dividends, net of fees	28	11,288	40,262	51,578
Realized gains (losses) on sales of investments	—	—	20,069	20,069
Adjustments of investments to market value	—	34,952	9,743	44,695
	28	46,240	70,074	116,342
2022				
Interest and dividends, net of fees	875	11,384	37,848	50,107
Realized 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)

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, 2023.

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, 2023

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	(15,026)	15,026	—	—

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 [2022 - four] employees earning over \$75,000. The total amount of remuneration paid to the employees was \$580,560 [2022 - \$358,449], collectively. This is included in salaries and benefits expense.

NOTES TO FINANCIAL STATEMENTS

December 31, 2023

15. BANK LOAN

The Association had a bank loan with Vancity which bears interest at Vancity prime rate plus 0.85%. During the year, the Association repaid their bank loan.

The bank loan bears interest at 8.05% [2022 - 7.30%]

	2023	2022
	\$	\$
Balance, end of year	—	19,222
Less: current portion	—	(19,222)
	—	—

16. LEASE COMMITMENT

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

	\$
2024	55,248
2025	55,248
2026	55,248
2027	18,416
	184,160

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
