

Financial statements of

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

December 31, 2023

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Financial Statements

December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of
CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Opinion

We have audited the financial statements of the Canadian Civil Liberties Education Trust ("CCLET"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CCLET 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 Opinion

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 CCLET 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 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 CCLET'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 CCLET or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing CCLET'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:

- 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 CCLET'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 doubt on CCLET'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 CCLET 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.

TORONTO, Ontario
May 6, 2024



Licensed Public Accountants

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Statement of Financial Position

As at December 31,	2023	2022
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Assets

Current

Cash	\$ 255,733	\$ 345,726
Donations and grants receivable (note 3)	29,647	24,894
Prepaid expenses and sundry receivables	5,869	5,359
Public service body rebate receivable	7,528	6,934
Investments (note 4)	314,907	610,880

Investments (note 4)	613,684	993,793
Capital assets (note 5)	445,314	479,514
	8,091	10,412

	\$ 1,067,089	\$ 1,483,719
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Liabilities and Net Assets

Current liabilities

Accounts payable and accrued liabilities	\$ 32,519	\$ 24,418
Deferred grants and contributions (note 6)	209,051	341,186
Due to related party (note 8)	462,224	789,574

Net assets	703,794	1,155,178
	363,295	328,541

	\$ 1,067,089	\$ 1,483,719
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See accompanying notes to the financial statements.

Approved by the Trustees:

DocuSigned by:

Andrew Lokan

Trustee

DocuSigned by:

KS

Trustee

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Statement of Operations and Changes in Net Assets

Year ended December 31,	2023	2022
Revenue		
Grants		
- foundations (notes 3 and 6)	\$ 271,055	\$ 221,100
- corporations (note 6)	154,819	162,492
Donations		
- individuals	71,515	21,309
- foundations	31,045	20,519
- corporations	28,517	15,273
Investment income	22,850	23,022
Rental (note 7)	16,813	12,070
Services	-	1,380
Miscellaneous, including recoveries	-	400
	596,614	477,565
Expenses		
Amortization	2,320	5,185
Communications	33,329	3,275
Fundraising	2,390	5,289
Insurance	2,583	3,385
Membership	-	170
Office	8,000	8,332
Outsourced professional services and consultants	24,985	29,513
Personnel	434,637	397,786
Professional fees	12,313	20,399
Program events	16,982	51,172
Rent and utilities	30,507	28,135
Research	1,082	251
Shared cost allocation	-	27,130
Travel	6,018	5,281
	575,146	585,303
Excess (deficiency) of revenue over expenses for the year before undernoted items	21,468	(107,738)
Realized and unrealized gains (losses) on investments	13,286	(44,349)
Excess (deficiency) of revenue over expenses for the year	34,754	(152,087)
Net assets, beginning of year	328,541	480,628
Net assets, end of year	\$ 363,295	\$ 328,541

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Statement of Cash Flows

Year ended December 31,	2023	2022
Cash provided (used) by operating activities:		
Excess (deficiency) of revenue over expenses for the year	\$ 34,754	\$ (152,087)
Items not requiring an outlay of cash:		
Amortization	2,320	5,185
Realized and unrealized (gains) losses on investments	(13,286)	44,349
	23,788	(102,553)
Net change in non-cash working capital balances:		
Donations and grants receivable	(4,753)	2,957
Prepaid expenses and sundry receivables	(510)	58
Public service body rebate receivable	(594)	19,533
Accounts payable and accrued liabilities	8,102	(8,565)
Deferred grants and contributions	(132,135)	(3,154)
Net cash used by operating activities	(106,102)	(91,724)
Cash used by investing activities:		
Purchase of capital assets	-	(2,175)
Proceeds from sale (purchase of) investments (net)	343,459	(147,605)
Net cash provided (used) by investing activities	343,459	(149,780)
Cash provided (used) by financing activities:		
Due to related party	(327,350)	407,786
Net increase (decrease) in cash	(89,993)	166,282
Cash, beginning of year	345,726	179,444
Cash, end of year	\$ 255,733	\$ 345,726

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Notes to the Financial Statements

December 31, 2023

1 Organization

Canadian Civil Liberties Education Trust ("CCLET") was established by way of Declaration of Trust dated October 20, 1965 and is a charitable organization whose objectives are to conduct research and to educate with respect to fundamental human rights and civil liberties.

CCLET is exempt from income tax under paragraph 149(1)(f) of the Income Tax Act.

The trustees of CCLET are comprised of certain officers of The Canadian Civil Liberties Association ("CCLA"). CCLA is a related entity under joint control.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

CCLET follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured.

Rental, service and other revenue is recognized as earned and when collection is reasonably assured.

Investment income is recognized on an accrual basis. Investment income comprises interest from cash and investments and dividend income.

Realized and unrealized gains and losses on investments, which reflect the changes in fair value during the year, are recognized at each reporting date and are included in current year operating results.

(b) Cash

Cash includes cash deposits with financial institutions.

(c) Investments

Investments consist of investments in guaranteed investment certificates, preferred shares, mutual funds, money market funds and equities. CCLET may liquidate these investments at any time to fund special projects and operations. These investments are carried at fair value, which is the quoted market price at year end.

(d) Financial instruments

CCLET initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

CCLET subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments, which are measured at fair value. Changes in fair value are recognized in the statement of operations and changes in net assets in the year incurred.

When there is an indication of impairment or such an impairment is determined to have occurred, the carrying amount of financial assets is reduced by the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of that asset. If the circumstances that led to CCLET recording an impairment improve and management determines that all or a portion of the impairment can be recovered, the impairment is reversed up to the amount that the financial asset would have otherwise been recorded at on the reversal date. There are no indications of impairment of financial assets as at December 31, 2023.

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Notes to the Financial Statements

December 31, 2023

2 Significant accounting policies (continued)

(e) Capital assets

The cost of a capital asset includes its purchase price and any directly attributable cost of preparing the asset for its intended use.

When conditions indicate a capital asset no longer contributes to the CCLET's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement costs. As at December 31, 2023, no such impairment exists.

Amortization is provided over the estimated lives using the following rates:

Equipment	20% declining balance
Computer equipment	30% declining balance
Computer software	50% declining balance
Website	25% declining balance

(f) Contributed services

The value of goods and services is recorded as revenue and expense in the financial statements when fair value can be reasonably estimated and the goods and services would otherwise be purchased if not donated.

CCLET benefits substantially from services in the form of volunteer time. CCLET directs, supervises and approves its own litigation pursuant to its charitable purpose to promote and strengthen civil liberties in Canada. A significant portion of this work is accomplished through pro-bono legal services. CCLET does not recognize pro-bono legal services or disbursements in its financial reporting, whether or not third parties to the litigation compensate private counsel. It follows that any third-party contributions to private counsel in not treated by CCLET as a charitable donation or otherwise receipted as such. Since volunteer time is not purchased and fair value is not reasonably determinable, pro-bono legal services and other volunteer time is not recognized in the financial statements.

(g) Management estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. Significant estimates include the useful lives of capital assets and allocation of shared expenses between CCLA and CCLET.

All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Notes to the Financial Statements

December 31, 2023

3 Grants receivable

During the year, CCLET was approved for an additional one-year grant of \$271,055 (2022 - \$221,100) from the Law Foundation of Ontario for the ongoing education program. CCLET is required to submit semi-annual project progress reports to the Law Foundation of Ontario for continued eligibility for the grant.

Included in grants receivable is \$27,106 (2022 - \$22,100) received from the Law Foundation of Ontario subsequent to the year end as the final payment of the above grant.

4 Investments

As at December 31,	2023	2022
Current:		
Cash and cash equivalents	\$ 65	\$ 5,905
Preferred shares	148,660	174,600
Equities and mutual funds	80,197	237,628
Money market funds	6,900	37
Foreign equities	29,042	41,413
Guaranteed investment certificates, bearing interest at 2.39% (2022 - 1.10% to 1.53%) and maturing on December 16, 2024 (2022 - April 12, 2023 to May 29, 2023)	50,043	151,297
	314,907	610,880
Long term:		
Guaranteed investment certificates, bearing interest at rates ranging from 1.61% to 4.29% (2022 - 1.61% to 2.39%) and maturing on dates ranging from June 9, 2025 to April 14, 2027 (2022 - December 16, 2024 to November 4, 2026)	445,314	479,514
Investments, fair value	\$ 760,221	\$ 1,090,394
Investments, cost	\$ 760,448	\$ 1,128,768

5 Capital assets

As at December 31,	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Equipment	\$ 38,955	\$ 33,793	\$ 38,955	\$ 32,502
Computer equipment	37,338	36,777	37,338	36,536
Computer software	6,312	6,312	6,312	6,312
Website	5,613	3,245	5,613	2,456
	\$ 88,218	\$ 80,127	\$ 88,218	\$ 77,806
Net book value		\$ 8,091		\$ 10,412

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Notes to the Financial Statements

December 31, 2023

6 Deferred grants and contributions

As at December 31,	2023	2022
Balance, beginning of year	\$ 341,186	\$ 344,340
Grants and contributions received during the year	293,739	380,438
Grants and contributions earned during the year	(425,874)	(383,592)
Balance, end of year	\$ 209,051	\$ 341,186

7 Rental revenue

CCLET provides office space and administrative support to an unrelated organization and in exchange receives reimbursement of base rent and common area maintenance fees.

8 Related party transactions and balances

The amounts due to CCLA are non-interest bearing, unsecured and due on demand.

9 Financial instruments

CCLET is exposed to various risks through its financial instruments. The following analysis provides a measure of CCLET's risk exposure and concentrations. The financial instruments and the nature of the risks to which they may be subject are as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. CCLET is exposed to credit risk through its cash, investments and grants receivable.

Grants receivable are unsecured and are comprised of the grant payments from the Law Foundation of Ontario (note 3). There is minimal credit risk associated with the balance and all payments were received subsequent to year end.

CCLET's bank accounts are held at one financial institution. Funds on deposit exceed the maximum amount insured and hence there is a concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that CCLET will not be able to meet a demand for cash or fund its obligations as they come due. CCLET has sufficient cash and a significant investment portfolio which could be converted to cash in a short period to meet its obligations.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

CCLET is exposed to currency risk through its investment in foreign equities. The Organization holds foreign equities of \$21,907 (2022 - \$30,592).

CANADIAN CIVIL LIBERTIES EDUCATION TRUST

Notes to the Financial Statements

December 31, 2023

9 Financial instruments (continued)

Market risk (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. CCLET is subject to interest rate risk from its interest bearing assets. CCLET's exposure to interest rate risk arises from investments which bear interest at variable rates. CCLET has not entered into any derivative agreements to mitigate this risk.

CCLET manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the CCLET's results of operations.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments in the market.

CCLET is exposed to other price risk through its equity investments.

Changes in risk

There have been no significant changes in the Organization's risk exposures in financial instruments from the prior year.