
FINANCIAL STATEMENTS

**ACCESS PRO BONO SOCIETY
OF BRITISH COLUMBIA**

March 31, 2012

***TW* TOMPKINS, WOZNY, MILLER & CO.**
Chartered Accountants

A partnership of incorporated professionals.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Access Pro Bono Society of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of the Access Pro Bono Society of British Columbia, which comprise the statement of financial position as at March 31, 2012, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements 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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments for unrecorded revenue might be necessary to donations, excess of revenue (expenses), assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Access Pro Bono Society of British Columbia as at March 31, 2012, 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society 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, Miller & Co.

Vancouver, Canada

September 19, 2012

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

As at March 31

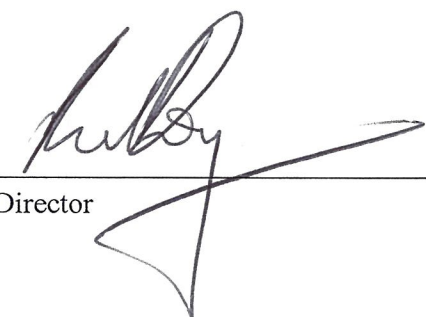
	2012	2011
	\$	\$
ASSETS		
Current		
Cash [note 3]	90,276	11,087
Accounts receivable - HST	6,893	7,886
- other	1,886	13,510
Prepaid expenses	10,382	23,301
	109,437	55,784
Capital assets [note 4]	7,897	5,768
	117,334	61,552
LIABILITIES		
Current		
Accounts payable and accrued liabilities	33,343	56,347
Deferred grants [note 5]	87,449	—
Total liabilities	120,792	56,347
NET ASSETS (DEFICIENCY)	(3,458)	5,205
	117,334	61,552

Commitment [note 9]

See accompanying notes to the financial statements

On behalf of the Board:


Director


Director

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets \$	Unrestricted deficiency \$	Total \$
2012			
Balance, beginning of year	5,768	(563)	5,205
Excess of expenses for the year	(3,666)	(4,997)	(8,663)
Capital asset purchases in the year	5,795	(5,795)	—
Balance, end of year	7,897	(11,355)	(3,458)
2011			
Balance, beginning of year	—	—	—
Excess of revenue (expenses) for the year	(766)	5,971	5,205
Capital asset purchases in the year	6,534	(6,534)	—
Balance, end of year	5,768	(563)	5,205

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended March 31

	2012	2011
	\$	\$
REVENUE		
Grants <i>[note 5]</i>	537,113	573,826
Donations <i>[note 6]</i>	162,258	95,088
Other	1,538	—
	700,909	668,914
EXPENSES		
Wages and benefits	447,933	501,416
Consulting	59,694	26,904
Rent	54,434	50,789
Office and other	42,351	38,926
Technology support	33,991	—
Disbursements	16,467	—
Travel and seminars	15,915	16,280
Professional fees	15,048	9,331
Pro Bono Going Public event	12,450	14,969
Communications	7,623	4,328
Amortization of capital assets	3,666	766
	709,572	663,709
Excess of revenue (expenses) for the year	(8,663)	5,205

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended March 31

	2012	2011
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue (expenses) for the year	(8,663)	5,205
Add item not affecting cash:		
Amortization of capital assets	3,666	766
	(4,997)	5,971
Changes in non-cash working capital items:		
Accounts receivable	12,617	(21,396)
Prepaid expenses	12,919	(23,301)
Accounts payable and accrued liabilities	(23,004)	56,347
Deferred grants	87,449	—
Cash provided by operating activities	84,984	17,621
INVESTING ACTIVITIES		
Purchases of capital assets	(5,795)	(6,534)
Cash used in investing activities	(5,795)	(6,534)
Increase in cash during the year	79,189	11,087
Cash, beginning of year	11,087	—
Cash, end of year	90,276	11,087

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

1. PURPOSE OF THE ORGANIZATION AND OPERATIONS

On April 1, 2010, Access Pro Bono Society of British Columbia (the "Society") was formed to assume the activities formerly carried out by Pro Bono Law of British Columbia and the Western Canada Society to Access Justice. The Society's purpose is to promote access to justice in B.C. by providing and fostering quality pro bono legal services for people and non-profit organizations of limited means. The Society is a not-for-profit organization and registered charity incorporated under the British Columbia Society Act. The Society is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash

For the purposes of determining cash flows, cash consists of cash on deposit with banks.

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

Capital Assets

Capital assets are recorded at cost, less accumulated amortization. Any capital assets contributed to the Society are recorded at the estimated fair market value at the date the contribution was made. Amortization is provided on a declining balance basis as outlined in Note 4.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Any non-recoverable amount will be recorded as an impairment charge in the year it is recognized.

Revenue Recognition

The Society follows the deferral method of accounting for revenue.

Restricted grants are recorded as deferred revenue when received and then recognized as revenue in the period in which the related expenses are incurred.

Unrestricted grants are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations are recorded on a cash basis and recorded as revenue when received.

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue Recognition (Cont'd)

Proceeds received from direct access gaming funding are recorded as deferred contributions or deferred contributions related to capital assets, if applicable, and are transferred to revenue as authorized expenditures are incurred.

Unrestricted investment income is recognized as revenue in accordance with the terms of the underlying investment, which in the case of interest, is generally with the passage of time.

Contributed Services and Premises

Volunteer lawyers and other individuals, contribute their time to assist the Society in carrying out its activities. Their value is not recognized in these financial statements due to the difficulty in determining the fair value of such services.

Various host agencies provide premises as needed to allow the volunteer lawyers to meet with clients and provide services in a cost effective manner. Due to the difficulty in determining the fair value of the various premises provided during the year, the value of the contributed premises are not recognized in the financial statements.

Use of 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 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 live of capital assets. Actual results could differ from these estimates.

3. CASH

	2012	2011
	\$	\$
Operating	15,327	11,087
Restricted for gaming grant initiatives	74,949	—
	90,276	11,087

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

4. CAPITAL ASSETS

	Amortization Rates	Cost \$	Accumulated Amortization \$	Net Book Value \$
2012				
Computers	30% D.B	9,289	2,944	6,345
Computer software	100% D.B	928	928	—
Furniture and fixtures	20% D.B	2,111	559	1,552
		12,328	4,431	7,897
2011				
Computers	30% D.B	5,313	226	5,087
Computer software	100% D.B	369	369	—
Furniture and fixtures	20% D.B	851	170	681
		6,533	765	5,768

5. GRANT REVENUE

	Beginning of Year \$	Received & Receivable \$	Revenue Earned \$	End of Year \$
2012				
Law Foundation of British Columbia	—	447,000	437,000	10,000
Provincial Gaming	—	105,000	30,051	74,949
Vancouver Foundation	—	30,000	30,000	—
Access Justice	—	14,032	14,032	—
Victoria Foundation	—	12,000	12,000	—
City of Vancouver	—	11,030	8,530	2,500
Pro Bono Law Saskatchewan	—	5,000	5,000	—
Surrey Foundation	—	500	500	—
	—	624,562	537,113	87,449

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

5. GRANT REVENUE (CONT'D)

	Beginning of Year \$	Received & Receivable \$	Revenue Earned \$	End of Year \$
2011				
Law Foundation of British Columbia	—	455,000	455,000	—
Provincial Gaming	—	35,016	35,016	—
Legal Services Society	—	30,000	30,000	—
The Notary Foundation	—	22,000	22,000	—
University of Victoria Faculty of Law	—	10,800	10,800	—
Face the World Foundation	—	10,000	10,000	—
Vancouver Bar Association	—	4,500	4,500	—
Nanaimo Community Foundation	—	4,500	4,500	—
City of Vancouver	—	2,010	2,010	—
	—	573,826	573,826	—

6. DONATIONS

	2012 \$	2011 \$
Donations	99,521	46,515
Pro Bono Going Public Event	54,152	48,573
Silent Auction	8,585	—
	162,258	95,088

Pro Bono Going Public Event donation revenue includes \$Nil [2011 - \$3,775] of tax receipted in-kind donations.

7. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. All financial instruments are recorded at amortized cost.

Credit Risk Exposure

The Society's exposure to credit risk is indicated by the carrying amounts of its cash and accounts receivable. The Society limits its exposure to credit loss by placing its cash with a chartered Canadian financial institution. Management believes that the Society is not exposed to an unusual level of credit risk.

NOTES TO FINANCIAL STATEMENTS

March 31, 2012

7. FINANCIAL INSTRUMENTS (CONT'D)

Interest Rate Risk Exposure

All of the Society's financial instruments are non-interest bearing except for cash that earns interest at variable market rates.

Fair Values

The fair values of cash, accounts receivable and accounts payable and accrued liabilities approximate their carrying values due to their short term maturities.

8. ECONOMIC DEPENDENCE

The primary source of the Society's revenue is the operating grants from the Law Foundation of British Columbia as described in note 4. The Society's ability to continue viable operations is dependent upon maintaining this source of revenue. These financial statements have been prepared on a going concern basis on the assumption this source of funding will continue to finance the Society's program activities.

9. COMMITMENT

The Society entered into a lease agreement for its premises which requires the following annual lease payments, including the estimated operating costs, over the next three years until November 14, 2014:

	\$
2013	35,482
2014	38,349
2015	26,522
	<u>100,353</u>