

**Legal Resource Centre of  
Alberta Ltd.**

**Financial Statements**

June 30, 2007

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# Legal Resource Centre of Alberta Ltd.

## Statement of Operations

Period Ended	June 30 2007 (3 months)	March 31 2007 (12 months)
Revenue		
Alberta Law Foundation (Note 3)	\$ 152,575	\$ 80,000
Endowment U of A (Note 4)	542,734	-
Contributed furnishings (Note 4)	40,300	-
Donations	-	150
Contracts/Grants (Note 3)	14,377	-
Interest income (Note 5)	2,348	720
Sales (Note 6)	4,879	1,744
	<u>757,213</u>	<u>82,614</u>
Expenditures		
Computing	16,920	1,881
Contractors	12,266	563
Contributed furnishings (Note 4)	40,300	-
Courier/Postage	1,407	-
Furnishings	5,047	-
Insurance	208	1,500
Meeting/Travel/Miscellaneous	3,536	198
Memberships/Subscriptions/Books	1,595	138
Premises	2,203	47,237
Printing/Copying/Paper	20,762	-
Salaries and benefits	127,182	3,163
Service charges	412	248
Telephone/Equipment	74	-
	<u>231,912</u>	<u>54,928</u>
Excess of revenues over expenditures	<u>\$ 525,301</u>	<u>\$ 27,686</u>

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## Legal Resource Centre of Alberta Ltd.

### Statement of Changes in Net Assets

Period Ended

						June 30 2007 (3months)	March 31 2007 (12 months)
	<u>Unrestricted</u>	Externally restricted (Note 7)	Internally restricted by board policy (Note 7)	Invested in capital assets	Endowment (Note 4)	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 38,668	\$ 27,862	\$ 20,000	\$ -	\$ -	<b>\$ 86,530</b>	\$ 58,844
Excess of revenues over expenses	10,563	-		-	514,738	<b>525,301</b>	27,686
Transfer to invested in capital assets	<u>(45,347)</u>	<u>-</u>	<u>-</u>	<u>45,347</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 3,884</u>	<u>\$ 27,862</u>	<u>\$ 20,000</u>	<u>\$ 45,347</u>	<u>\$ 514,738</u>	<b><u>\$ 611,831</u></b>	<u>\$ 86,530</u>

# Legal Resource Centre of Alberta Ltd.

## Statement of Financial Position

	June 30 2007	March 31 2007
<b>Assets</b>		
Current		
Cash	\$ 27,092	\$ 21,530
Investments (Note 5)	<u>584,738</u>	<u>65,000</u>
	611,830	86,530
Capital assets		
	<u>1</u>	<u>-</u>
	<u>\$ 611,831</u>	<u>\$ 86,530</u>
<b>Liabilities</b>		
Current		
Payables and accruals	\$ -	\$ -
<b>Net Assets</b>		
Unrestricted	3,884	38,668
Externally restricted	27,862	27,862
Internally restricted (Note 6)	20,000	20,000
Invested in capital assets	45,347	-
Endowment	<u>514,738</u>	<u>-</u>
	<u>611,831</u>	<u>86,530</u>
	<u>\$ 611,831</u>	<u>\$ 86,530</u>

On behalf of the Board

\_\_\_\_\_ Member

\_\_\_\_\_ Member

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# Legal Resource Centre of Alberta Ltd.

## Statement of Cash Flows

Period Ended	June 30 2007 (3 months)	March 31 2007 (12 months)
Increase (decrease) in cash		
<b>Cash flows from operating activities</b>		
Excess of revenues over expenditures	\$ 525,301	\$ 27,686
<b>Cash flows from financing activities</b>		
Purchase of investments	<u>(519,739)</u>	<u>(65,000)</u>
Net increase in cash	5,562	(37,314)
Cash		
Beginning of year	<u>21,530</u>	<u>58,844</u>
End of year	<u>\$ 27,092</u>	<u>\$ 21,530</u>

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# Legal Resource Centre of Alberta Ltd.

## Notes to the Financial Statements

June 30, 2007

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### 1. Mandate

The Legal Resource Centre of Alberta Ltd. was incorporated provincially in 1975 as a non-profit company with the mandate “to contribute to, advance and promote the legal knowledge and education of the people of Canada.” It was registered as a charity in 1977 and subscribes to Imagine Canada’s *Ethical Fundraising and Financial Accountability Code*.

The Legal Resource Centre of Alberta Ltd. was recently reactivated to assume responsibility for the continuing development of the public legal education activities incubated by the Legal Studies Program of the Faculty of Extension, University of Alberta.

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### 2. Summary of significant accounting policies

#### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

#### Fund accounting

The organization follows the restricted fund method of accounting.

The externally restricted funds represent amounts that were contributed to the organization by external parties, which must be used for specific purposes.

The internally restricted funds represent amounts that have been designated for specific purposes by the organization’s Board of Directors.

The invested in capital assets fund accounts for the book value of the organization’s property and equipment.

The unrestricted fund reports the cumulative excess of unrestricted revenue over expenses.

#### Revenue recognition

Externally restricted contributions are recognized as revenue of the externally restricted fund when received. Unrestricted contributions are also recognized as revenue in the appropriate fund when received.

#### Capital assets

Capital assets have not been capitalized on the balance sheet. They are held on the balance sheet for a nominal value of \$1.00. During the period, \$5,047 (March 31, 2007 - \$nil) was spent on additions.

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# Legal Resource Centre of Alberta Ltd.

## Notes to the Financial Statements

June 30, 2007

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### 2. Summary of significant accounting policies (cont.)

#### Contributed services

Volunteers contributed numerous hours in carrying out the activities of the organization. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and short term deposits with original maturities of three months or less.

#### Investments

Investments are recorded at cost and are written down to market value when any decline in value is considered to be other than temporary.

#### Financial instruments

The Centre's financial instruments consist of cash and investments. Unless otherwise noted, it is management's opinion that the Centre is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

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### 3. Revenues

The Alberta Law Foundation provides core funding that supports the overall administrative functions of the Centre and also enables the Centre to maintain a variety of public services, including e-reference services to the public and the updating and maintenance of several websites including the Access to Justice Network, a major Canadian portal for law-related information, Canadian Legal FAQs, Not-for-Profit and Charity Law, OakNet, Violet, RoseNet, the Theory and Practice of Public Legal Education in Canada, and others. The funding from the Alberta Law Foundation normally accounts for about 50% of the total expenditures.

Contract/grant revenues of \$14,377 included project funding received from the Muttart Foundation, Changing Together, and Canadian Association of Law Libraries.



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# Legal Resource Centre of Alberta Ltd.

## Notes to the Financial Statements

June 30, 2007

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### 4. Endowment transfer

An endowment fund which had been established at the University for the sole benefit of the Legal Resource Centre was transferred as part of the asset agreement. The transfer of trustee was granted March 30 through Court of Queens's Bench. The University transferred a total of \$542,734. This included the principle of \$512,841 and expendable funds of \$29,893. The funds were invested in a short term GIC until the Board of Directors approved an investment plan. At that time, \$514,738 was invested as a restricted fund with interest to be used for the purchase of capital equipment or furnishings.

In addition to the endowment transfer from the University of Alberta, the furnishings were also transferred. These items were previously purchased by the organization when it was a part of the University of Alberta in prior years.

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### 5. Interest income/Investments

Interest income was derived primarily from the short term GIC investment of the Capital Investment Fund prior to the implementation of an investment portfolio. Other interest was received from short and long term GICs of funds not needed for immediate operations.

TD investments	\$	45,000
RBC expendable investments		25,000
RBC capital investments		<u>514,738</u>
Total	\$	<u>584,738</u>

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### 6. Sales

LawNow revenues of \$4,878 included revenues from advertising, subscriptions and newsstand sales, licenses and royalties. These revenues are up from \$1,744 in the previous quarter.

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# Legal Resource Centre of Alberta Ltd.

## Notes to the Financial Statements

June 30, 2007

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### 7. Restricted funds

Funds which have been designated for projects or activities extending beyond the fiscal year end included:

**Internally restricted**

Reserve fund	\$	20,000
Capital investment fund		<u>514,738</u>
		<u>534,738</u>

**Externally restricted**

Sandra Garvie Memorial Fund		<u>27,862</u>
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<b>Total</b>	<b>\$</b>	<b><u>562,600</u></b>
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### 8. Reporting period

This report covers the period of April 1, 2007 to June 30, 2007. This short fiscal period is a result of a change in reporting year approved by the Board of Directors and the Canada Revenue Agency. Full operation under the new administrative structure commenced April 1, 2007. The first full year of operation will be July 1st, 2007 – June 30th, 2008.

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### 9. Governance

The Legal Resource Centre is governed by a Board of Directors. The Board is responsible for determining the organization's vision, long-term direction, and priorities; developing policies; managing its resources; relationships with key sectors in the community and hiring the executive director. The Board maintains Communications, Finance, Legal, and Human Resources committees.

The Board of Directors for 2006-2007 were

**President:**

San San Sy

**Vice-President:**

Dr Lorna Stefanick

**Secretary:**

Evelyn David

**Treasurer:**

Dan McKinley

**Directors:**

Dr Anna Altmann

Peter Freeman, Q.C.

Charles Gardner, Q.C.

Howard Sapers