

STUDENT LEGAL SERVICES OF EDMONTON
Financial Statements
Year Ended March 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Members of Student Legal Services of Edmonton

Opinion

We have audited the financial statements of Student Legal Services of Edmonton (the organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, 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 the organization as at March 31, 2022, and the results of its operations and 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 the organization in accordance with 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 the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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:

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Independent Auditor's Report to the Members of Student Legal Services of Edmonton *(continued)*

- 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 organization'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 organization'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 organization 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.

Edmonton, Alberta
June 16, 2022





Chartered Professional Accountants

STUDENT LEGAL SERVICES OF EDMONTON
(Incorporated under the Societies Act of Alberta)
Statement of Financial Position
March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 210,443	\$ 187,058
Goods and services tax recoverable	1,481	1,640
Prepaid expenses	6,635	3,363
	218,559	192,061
RESTRICTED FUNDS - CASINO (Note 3)	6,596	54,367
	\$ 225,155	\$ 246,428
 LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 6,423	\$ 7,919
Accrued funding repayment	16,606	2,700
	23,029	10,619
DEFERRED CONTRIBUTIONS - CASINO (Note 4)	6,596	54,367
	29,625	64,986
 NET ASSETS		
Unrestricted	195,530	181,442
	\$ 225,155	\$ 246,428

LEASE COMMITMENT (Note 5)

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

STUDENT LEGAL SERVICES OF EDMONTON**Statement of Operations
Year Ended March 31, 2022**

	2022	2021
REVENUE		
Unrestricted		
Students Union levy	\$ 50,995	\$ 50,624
Donations	7,192	2,605
Interest	498	505
	<u>58,685</u>	<u>53,734</u>
Restricted		
Alberta Law Foundation - operating grant	440,446	479,435
Casino	47,951	30,215
Federal Government - Canada Summer Jobs	41,884	41,812
	<u>530,281</u>	<u>551,462</u>
	<u>588,966</u>	<u>605,196</u>
EXPENSES		
Salaries and related costs		
Employee benefits	34,132	33,355
Secretarial and administrative	63,029	61,589
Summer staff	351,000	364,000
Project and administrative costs		
Advertising	3,331	3,395
Direct case disbursements	1,162	449
Insurance	4,054	3,883
Legal advisors - retainers	36,253	36,253
Professional fees	6,663	6,663
Publications - library and legal education	388	368
Rent and utilities - project offices	36,350	36,350
Staff training and appreciation	4,310	4,069
Stationery, postage and office supplies	18,938	27,348
Telephone	13,386	15,226
Travel and parking	1,882	4,253
	<u>574,878</u>	<u>597,201</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 14,088</u>	<u>\$ 7,995</u>

STUDENT LEGAL SERVICES OF EDMONTON

Statement of Changes in Net Assets

Year Ended March 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 181,442	\$ 173,447
Excess of revenues over expenses	<u>14,088</u>	<u>7,995</u>
NET ASSETS - END OF YEAR	<u>\$ 195,530</u>	<u>\$ 181,442</u>

STUDENT LEGAL SERVICES OF EDMONTON

Statement of Cash Flows Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Cash receipts		
Alberta Law Foundation - operations	\$ 454,352	\$ 477,021
Students Union levy	50,995	50,624
Donations	7,192	2,605
Interest	498	505
Casino	180	308
Federal Government grants	41,884	41,812
Cash disbursements		
Salaries and related costs	(448,161)	(458,944)
Project and administrative costs	(131,326)	(136,873)
DECREASE IN CASH FLOW	(24,386)	(22,942)
Cash - beginning of year	241,425	264,367
CASH - END OF YEAR	\$ 217,039	\$ 241,425
CASH CONSISTS OF:		
Cash	\$ 210,443	\$ 187,058
Cash - casino	6,596	54,367
	\$ 217,039	\$ 241,425

STUDENT LEGAL SERVICES OF EDMONTON

Notes to Financial Statements

Year Ended March 31, 2022

1. PURPOSE OF THE ORGANIZATION

Student Legal Services of Edmonton ("SLS") is a non-profit charitable organization of law students which provides free legal assistance as agents in Criminal and Civil Court to people who do not qualify for Legal Aid and are not able to afford a lawyer. SLS also performs legal research and education in areas of general community interest and concern and background work and suggestions for legal reform.

To meet its objectives, SLS operates a number of specific projects such as Corona Criminal Project, Legal Education Project, Family Law Project, Legal Reform Project and Civil Law Project. Leadership for these projects is provided by employing approximately 27 law students between May and August of each year. In addition to these leaders and full-time clerical staff and legal advisors, there are approximately 300 volunteers involved during the year.

SLS is incorporated under the Societies Act of Alberta as a non-profit organization without share capital, and is a registered charity within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Measurement uncertainty

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 amount 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 period. The COVID-19 pandemic has increased the challenges associated with this estimation process. Estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimates made by management include the assessment of collectability of accounts receivable.

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STUDENT LEGAL SERVICES OF EDMONTON

Notes to Financial Statements

Year Ended March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Measurement

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and restricted funds - casino. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and accrued funding repayment.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. 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 excess of revenue over expenses.

Transaction costs

The organization recognizes its transaction costs in excess of revenues over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Revenue recognition

Student Legal Services of Edmonton follows the deferral method of accounting for contributions.

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 reasonably estimated and collection is reasonably assured.

Capital assets

Capital assets are recorded at cost less accumulated amortization. It is the organization's policy to only capitalize assets that are material.

Donation of materials

Materials donated to SLS are recorded at fair market value. No materials were donated during the year.

Donation of capital assets

Capital assets donated to SLS are recorded at fair market value. No capital assets were donated during the year.

Donation of services

The work of SLS is dependent on the voluntary service of many individuals. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair market value, donated services are not recognized in these financial statements.

STUDENT LEGAL SERVICES OF EDMONTON

Notes to Financial Statements

Year Ended March 31, 2022

3. RESTRICTED FUNDS - CASINO

Casino funds may only be utilized for specific purposes as approved by the Alberta Attorney General, Gaming Control Branch. Approved expenditures include pamphlet reproduction costs as well as operating costs of SLS such as rent, utilities, equipment maintenance, insurance, capital expenditures and summer staff wages.

	<u>2022</u>	<u>2021</u>
Casino funds are comprised of:		
Cash	\$ 438	\$ 48,365
Credit Union membership shares	<u>6,158</u>	<u>6,002</u>
	<u>\$ 6,596</u>	<u>\$ 54,367</u>

4. DEFERRED CONTRIBUTIONS - CASINO

	<u>2022</u>	<u>2021</u>
Balance at beginning of year	\$ 54,367	\$ 84,274
Receipts		
Interest on casino funds	<u>180</u>	<u>308</u>
	<u>54,547</u>	<u>84,582</u>
Disbursements		
Summer staff wages	<u>(47,951)</u>	<u>(30,215)</u>
Balance at end of the year	<u>\$ 6,596</u>	<u>\$ 54,367</u>

5. LEASE COMMITMENT

SLS is committed to a lease for office space under a contract that expires February 28, 2026. Lease payments under the contract are as follows:

2023	\$ 37,298
2024	37,980
2025	38,015
2026	35,200

6. ECONOMIC DEPENDENCE

SLS derives substantially all of its revenue from grants from the Alberta Law Foundation and the Federal and Provincial governments. SLS's ability to continue viable operations is dependent upon receiving this grant revenue.
