JUSTICE CENTRE FOR CONSTITUTIONAL FREEDOMS

Financial Statements

Year Ended December 31, 2011

Kam Laraway Professional Corporation
4069 Garrison Blvd SW
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INDEPENDENT AUDITOR'S REPORT

To the Members of Justice Centre for Constitutional Freedoms

Report on the Financial Statements

I have audited the accompanying financial statements of Justice Centre for Constitutional Freedoms, which comprise the statement of financial position as at December 31, 2011, and the statements of revenues and expenditures, changes in net assets 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 generally accepted accounting principles, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 entity'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 entity'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Justice Centre for Constitutional Freedoms as at December 31, 2011 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Calgary, Alberta
June 25, 2012

Kam Laraway Professional Corporation
Certified General Accountant

JUSTICE CENTRE FOR CONSTITUTIONAL FREEDOMS
Statement of Financial Position
December 31, 2011

		2011		2010 *(Unaudited)*
ASSETS				
CURRENT				
Cash	$	54,761	$	5,061
Accounts receivable		-		920
Goods and services tax recoverable		4,139		-
	$	58,900	$	5,981
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	$	8,026	$	5,172
NET ASSETS				
Unrestricted fund		50,874		809
LIABILITIES AND NET ASSETS	$	58,900	$	5,981

APPROVED BY THE BOARD

John Carpay *President*

Director

D. Santoro - June 27/12

The accompanying notes form an integral part of these financial statements

	2011	2010 (3 months) Unaudited
REVENUE		
Tax receipted donations	**$ 269,771**	$ 20,920
Other income not receipted	**102**	-
	269,873	20,920
EXPENSES		
Litigation expenses	**129,694**	-
Advertising, promotion and fundraising	**40,529**	-
Salaries and wages	**30,001**	-
Office	**5,517**	-
Professional fees	**4,738**	20,072
Miscellaneous	**4,139**	-
Business taxes, licenses and memberships	**2,643**	-
Vehicle	**1,153**	-
Insurance	**850**	-
Interest and bank charges	**436**	39
Telephone	**108**	-
	219,808	20,111
EXCESS OF REVENUE OVER EXPENSES	**$ 50,065**	$ 809

		2011		2010
Net assets - beginning of year	$	809	$	-
Excess of receipts over expenses		50,065		809
NET ASSETS - END OF YEAR	$	50,874	$	809

	2011	2010 *(3 months) Unaudited*
OPERATING ACTIVITIES		
Excess of revenue over expenses	**$ 50,065**	$ 809
Changes in non-cash working capital:		
Accounts receivable	**920**	(920)
Accounts payable	**2,854**	5,172
Goods and services tax payable (recoverable)	**(4,139)**	-
	(365)	4,252
INCREASE IN CASH FLOW	**49,700**	5,061
Cash - beginning of year	**5,061**	-
CASH - END OF YEAR	**$ 54,761**	$ 5,061

1. NATURE OF OPERATIONS

The Justice Centre for Constitutional Freedoms (JCCF) was incorporated in October 2010 under the Canada Corporation Act as a not for profit organization. The mission of the JCCF is to protect and promote Canada's core principles of freedom and equality through education and litigation.

The JCCF qualifies for tax exempt status as a registered charity under Section 149 of the Income Tax Act, therefore no provision for income taxes is recorded in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue Recognition

The Justice Centre for Constitutional Freedoms follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can reasonably be estimated and collection is reasonably assured. All other receipts are recognized as revenue when received.

Use of accounting estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of receipts and expenditures during the reported periods. Actual results could differ from those estimates.

3. LEASE COMMITMENTS

To date, the JCCF has conducted its operations using donated office space. This is expected to continue through to the end of December 2012.

4. FUTURE ACCOUNTING CHANGE

The CICA has issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for the annual reporting period that commences on or after January 1, 2012, not-for-profit organizations will have to choose between International Financial Reporting Standards ("IFRS") and Canadian accounting standards for not-for-profit organizations, whichever accounting framework suits them best. Early adoption of these standards is permitted. The JCCF currently plans to early adopt the new Canadian accounting standards for not-for-profit organizations for its fiscal year beginning January 1, 2011 and has not yet determined the impact of the adoption.

5. MANAGEMENT OF CAPITAL

The JCCF defines capital as the amounts included in its net asset balance.

The JCCFs objective when managing capital is to safeguard its ability to sustain itself as a going concern so that it can continue to protect and promote Canada's core principles of freedom and equality through education and litigation.

Management and the Board carefully consider fundraising campaigns, donations, and potential investment income to ensure that sufficient funds will be available to meet the Centre's short and long-term objectives. The Justice Centre for Constitutional Freedoms is strongly committed to spending less than what it receives in donation revenues.

The JCCF has not made any fundamental changes to its overall capital management strategy during the year ended December 31, 2011.

6. FINANCIAL RISK MANAGEMENT

The fair value of a financial instrument is the estimated amount that the JCCF would receive or pay to settle a financial asset or liability as at the reporting date. Due to the short-term nature of all financial instruments of the JCCF, the fair values do not differ significantly from their carrying values.

The JCCF is exposed to credit risk to the extent that donors may experience financial difficulty and be unable to meet their obligation. There has been no indication that any of the donors have had difficulty, so this is not considered to be a significant risk.

7. ECONOMIC DEPENDENCE

The JCCF's ongoing operations depend entirely on fundraising results.

8. COMPARATIVE FIGURES

The prior year's financial information only reflects three months of operations, and are therefore not comparable.