

ANNUAL  
REPORT

2009



40 YEARS  
1969-2009



Mary Mouat, Chair

## Report from the Chair

In 2009, the Law Foundation of British Columbia celebrated its 40th anniversary.

British Columbians can be proud of the fact that we formed the first law foundation in North America and pioneered the concept of using the interest on lawyers' trust accounts to benefit the public. Now, all

jurisdictions in Canada and the United States have law foundations. Since 1969, the Law Foundation of British Columbia has distributed over \$421 million to promote access to justice for British Columbians.

A 40th anniversary celebration, held in March at the Law Courts Inn, was attended by over 200 people, including former Law Foundation governors, grantees and representatives from the legal profession.

We were particularly pleased to acknowledge the presence of Arthur Harper, QC, and Kenneth Meredith, formerly Mr. Justice Meredith, who were instrumental in founding the Law Foundation in 1969. We were also delighted to see Mr. Justice David Brine, who served as chair of the foundation in 2000 and 2001.

The foundation's mandate is to fund legal education, legal research, legal aid, law reform and law libraries, which it fulfills by funding continuing programs and one-time projects that promote the rule of law and a just society.

The year 2009 was dramatic for the Law Foundation — the excitement of our anniversary was countered by record low interest rates. The prime rate decline to 2.25% in the last year has meant that the foundation is now receiving approximately 0.25% on lawyers' pooled trust accounts. Over the last year,

29 new bank agreements have been negotiated to ensure that all banks in the province pay interest to the foundation.

Because of the cyclical nature of interest rate income, the foundation has accumulated a grant stabilization reserve to prevent drastic cutbacks in our grants budget in any single year. In 2004, 2008 and most recently in 2009, the board drew down the reserve to meet the shortfall between our income and the needs of our grantees. As a result, the foundation was able to support continuing programs, without reductions, in 2009. The reality of our income, however, has prevented us from extending a number of programs funded under our new initiatives program.

In December 2008, due to the foresight of previous boards, and in particular the leadership of Warren Wilson, QC, the reserve stood at approximately two years of committed funding. Due to the recovery on investments, the drawdown on the reserve for 2009 was significantly less than forecast.

In 2010, however, the foundation anticipates having to significantly draw down the reserve, perhaps by up to \$15 million, in order to meet its commitments to continuing programs. Low interest rates have reduced our income dramatically and our income will not increase until interest rates rise.

In recognition of changing financial circumstances, the Law Foundation administration budget has been reduced, as has foundation staff. No new initiatives will be funded, other than time-limited projects. The large project fund has been reduced from \$750,000 to \$500,000.

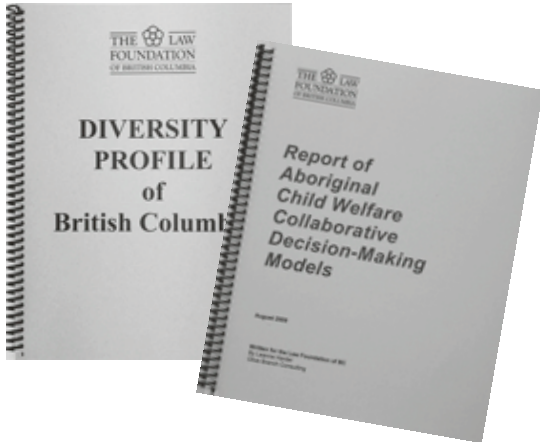
While our income has been drastically reduced, I would be remiss if I did not publicly thank the Law Society of BC. New rules in reporting requirements and Law Society staff's diligence have meant that interest that was not paid to the foundation by banks in the past has now been paid.

Despite our financial situation, in 2009, the foundation assessed 223 applications for funding, and made 69 continuing program and 39 project grants. These grants totalled over \$18 million. Of this amount, \$15.6 million was allocated to continuing programs.

In 2009, the foundation completed an intensive strategic planning process and revised its mission, vision, values and strategic priorities (see page 4).

*The year 2009 was dramatic for the Law Foundation — the excitement of our anniversary was countered by record low interest rates.*

The Law Foundation produced two significant publications in 2009: *Diversity Profile of British Columbia* and *Report of Aboriginal Child Welfare Collaborative Decision-Making Models*. These publications have significant practical application and will help the foundation serve the diverse people of our province and provide information about alternative ways of dealing with Aboriginal child welfare issues.



The year 2009 saw two changes to the board of governors.

Ron Toews, QC, of Smithers, replaces Suzette Narbonne as the Law Society appointee from Prince Rupert County. Called to the bar in 1976, Mr. Toews is a life bencher of the Law Society, and was appointed Queen's Counsel in 2000. Involved in a variety of community and bar organizations, Mr. Toews has been a sole practitioner with a general practice for most of his career and is currently Crown counsel in Smithers.

Tamara Hunter, of Vancouver, replaces Linda Parsons, QC. Ms. Hunter, a litigation lawyer at Davis LLP in Vancouver, practises in the areas of administrative law, privacy law, professional regulation and commercial litigation. She began her legal career as a law clerk to Chief Justice Lamer of the Supreme Court of Canada and was called to the bar in 1992. She too has been involved in a variety of organizations during her career.

We said farewell to governors Suzette Narbonne and Linda Parsons, QC.

Governor Narbonne served on the following committees during her six-year term: Child Welfare, Funding Strategies, New Grants, New Initiatives, Special Needs Fund (Chair). Governor Narbonne will continue to serve the people of our province in her new role as a bencher of the Law Society.

*In 2009, the foundation completed an intensive strategic planning process and revised its mission, vision, values and strategic priorities.*

Governor Parsons was a governor from 2004, and served on several committees: Funding Strategies (Chair), Policy and Planning (Chair), New Initiatives. Governor Parsons' leadership in Funding Strategies and Policy and Planning requires special kudos. Her clarity of thought and kindness in delivery will be greatly missed.



*Departing governors Suzette Narbonne and Linda Parsons, QC, on a site visit to Prince Rupert*

These short paragraphs cannot reflect the value that governors Narbonne and Parsons brought to the board. The bar can be proud of governors Narbonne and Parsons' passion for the work done by our grantees and their enormous contribution of time to the Law Foundation and the people of BC.

In closing, I would like to thank our board of governors for their significant contribution to access to justice in BC in the past year. I would also like to thank foundation staff for their diligent work. Together they ensure that funds are used strategically and effectively to promote the Law Foundation's mandate.

**Mary Mouat,**  
Chair 2009

## Profile

In 2009, the Law Foundation board approved a new mission statement, vision and values. It also set strategic priorities for the next five years.

### Mandate

Our legislative mandate is to fund legal education, legal research, legal aid, law reform and law libraries for the benefit of British Columbians.

### Mission Statement

To advance and promote a just society governed by the rule of law, through leadership, innovation and collaboration.

### Vision

A society where access to justice is protected and advanced.

### Values

- Integrity
- Diversity
- Respect
- Sustainability

### Strategic Priorities 2009–2014

Maintain and improve Law Foundation finances.

Provide support for Law Foundation grantees.

Continue the ongoing evaluation of Law Foundation programs and projects.

Research and address gaps in access to justice in BC — sectoral and substantive.

Develop new programs and initiatives.

### Purpose

British Columbia led the way in 1969 when it established the first law foundation in North America. Since then, almost every other jurisdiction in North America has followed BC's lead by establishing a law foundation.

The Law Foundation of BC is a non-profit foundation created by legislation to receive and distribute the interest on clients' funds held in lawyers' pooled trust accounts maintained in financial institutions. Pooled trust accounts are used to hold client funds for short periods of time, until it becomes feasible to distribute those monies to the client or others.

Typically, some funds held in this way are purchase monies in real estate transactions, while others are retainers, settlement proceeds, estate funds, etc.

Because of the difficulty and cost of ascertaining how much interest in pooled trust accounts was attributable to each client's funds, and because the amount of interest related to each client was usually small, for many years financial institutions paid no interest on these accounts, although the total funds in the pooled account might be very substantial. As a result, the financial institutions profited from the use of the funds in the pooled trust accounts without charge.

British Columbia lawyers pioneered a change to this practice in 1969 when they persuaded the provincial government to enact legislation requiring financial institutions to pay interest on these pooled trust accounts to the Law Foundation, which would then use the interest to benefit the public of British Columbia.

The legislation directed the Law Foundation to distribute these funds in five areas:

- legal education
- law reform
- legal research
- law libraries
- legal aid

The foundation recognizes that, while its objects are legal in nature, the income is to be allocated to programs that will benefit the general public of British Columbia.

From its inception through 2009, the Law Foundation has approved grants totalling over \$421 million to support important law-related programs in British Columbia.

### Administration

The Law Foundation is administered by a board of governors (the board), which is responsible for making all decisions concerning grants. It has 18 volunteer members:

- the Attorney General (or his/her appointee);
- 3 persons, not lawyers, appointed by the Attorney General;
- 12 members of the Law Society or the judiciary appointed by the benchers to represent geographical areas of the province; and
- 2 members of the Law Society appointed by the BC Branch, Canadian Bar Association.

The Law Foundation is independent of the government, the Law Society and the BC Branch, Canadian Bar Association,

although its governors are appointed by these bodies. The board has five standing committees:

- Bursary, Scholarship and Fellowship
- Finance and Administration
- New Grants
- Policy and Planning
- Special Needs Fund

Two committees established in past years continued their work in 2009. The Child Welfare Fund Committee distributed funds contributed by the Ministry of Children and Family Development to one child welfare initiative in BC. The New Initiatives Committee dealt with funds allocated to a variety of time-limited projects.

The board and the committees meet regularly during the year. A staff of 11 assists the board.

## How Grants Are Made

The Law Foundation's funds are used for the purposes of legal education, legal research, legal aid, law reform and law libraries. A grant application must fall within one or more of these categories to be considered for funding support, and it must establish that it will result in a clear benefit to the people of British Columbia. Grants are normally restricted to non-profit organizations.

The foundation sets its grant budget and funding guidelines on an annual basis. Those seeking grant support are urged to discuss their proposals with foundation staff before committing time and resources to put together funding requests. If a project appears to fit within the mission statement, program objectives and funding guidelines for that year, a formal proposal with more detailed information will be requested.

Application deadline dates can be obtained by contacting the Law Foundation.

The Law Foundation  
of British Columbia  
1340-605 Robson Street  
Vancouver, BC V6B 5J3

Tel: 604-688-2337  
Fax: 604-688-4586  
E-mail: lfbc@tlfbc.org  
www.lawfoundationbc.org

## Program Objectives

In June 2009, the board approved changes to the program objectives in the area of legal aid. The updated objectives are set out below.

The Law Foundation seeks to ensure access to justice through its program objectives, which are:

### 1. Legal Education

To promote legal education programs and services in British Columbia to make the law more accessible through:

- increasing public awareness of the law and the justice system;
- providing education to groups with particular legal needs; and
- assisting in the academic and professional development of those providing legal services to ensure those services are of the highest quality.

### 2. Legal Research

To advance the knowledge of:

- law,
- social policy and
- the administration of justice

through the identification of areas and issues needing study and analysis and the encouragement and support of projects to address those needs.

### 3. Legal Aid

To assist in the provision of legal services, including:

- advice to and representation of economically disadvantaged persons; and
- support of community service and non-profit organizations that address issues that benefit groups of disadvantaged persons or the public.

To facilitate public access to the justice system.

Legal aid includes the Legal Services Society, community-based advocacy, public interest law and other legal aid.

### 4. Law Reform

To encourage and support projects promoting changes to the law and the administration of justice in accord with current knowledge, values and technology.

### 5. Law Libraries

To assist law libraries and resource centres to keep their materials current.

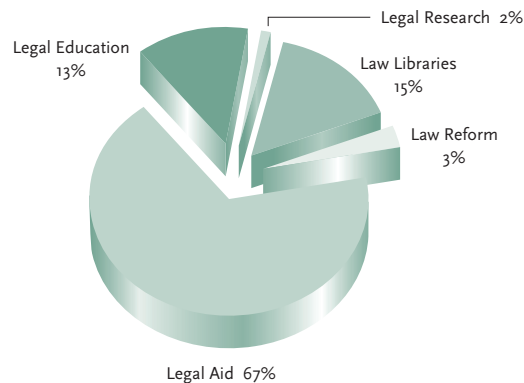
To encourage and support projects designed to improve the utility and accessibility to both the legal profession and the public of legal and law-related materials.

# Programs and Projects Funded in 2009

The Law Foundation provides support for the law-related programs and projects described in the Annual Report.

Grants are divided into Continuing Programs and Projects. For reporting purposes, they are listed in the Annual Report under one of the Law Foundation's five statutorily mandated objectives (see chart). However, many of the organizations' activities fall under more than one of the mandated areas.

Within each sub-section, grants are listed from highest to lowest dollar amounts, rather than alphabetically by name.



**Total continuing program grants: \$15,671,690**  
**Total project grants: \$2,803,322**

## Grants Approved in 2008

Legal Education	\$ 2,439,751
Legal Research	235,782
Legal Aid	12,415,629
Law Reform	575,600
Law Libraries	2,809,250
<b>Total</b>	<b>\$18,476,012</b>

**Total child welfare grants: \$55,000**

## Continuing Programs

### LEGAL EDUCATION

#### Professional Legal Education

##### Law Society of BC

The Professional Legal Training Course, a skills-based training program for recent law school graduates, to develop competent lawyers to serve the public

**\$257,180**

##### University of British Columbia, Faculty of Law

Graduate fellowships **\$120,000**  
 Undergraduate scholarships **\$58,000**  
 Entrance awards for disadvantaged students **\$27,000**

##### University of Victoria, Faculty of Law

Graduate scholarship program **\$60,000**  
 Entrance and renewal scholarships **\$58,000**

##### Law Foundation

An education and training fund for the professional development of Law Foundation-funded lay advocates, including attendance at a provincial training conference **\$114,000**

#### Law Foundation

Graduate fellowships for graduate legal studies by BC lawyers and graduates of BC law schools **\$68,750**

*Efrat A. Arbel:* A study of the intersection of human rights and refugee law in Canadian law — in particular, exploring the human rights of Aboriginal populations, refugees and prisoners

*Jennifer Bond:* An analysis of issues raised by the exclusion provisions of the 1951 Refugee Convention — the balance between helping those in need, penalizing significant offenders and protecting the innocent

*Sarah Hudson:* A comparative study of assisted reproductive technologies in Canada and Britain

*Shannon Nicola Salter:* A study of the impact of the Court Challenges Program on Charter jurisprudence in Canada from 1994 to 2006

*Laurel Rae Sherret:* Research about how international human rights norms and obligations can be translated into agendas for justice reform in countries emerging from conflict

*Kim Stanton:* An examination of the use of truth commissions in established democracies — with a focus on the Mackenzie Valley Pipeline Inquiry

#### University of Saskatchewan, Native Law Centre

A program for Aboriginal students planning to enter law school, and the centre's research and publishing on Aboriginal legal issues **\$20,600**

#### Public Legal Education

##### People's Law School Society

Province-wide legal information and education programs **\$315,755**



Gordon Hardy, executive director, People's Law School Society

**BC Branch, Canadian Bar Association**  
The Lawyer Referral Service, a service to help the public obtain low-cost legal information and assistance; Law Week 2009 public legal education activities; and Dial-A-Law, a province-wide telephone service providing free legal information to the public **\$279,310**

**Justice Education Society (formerly Law Courts Education Society of BC)**  
A program to provide legal education and information about the justice system for the public **\$150,000**

**PovNet Society**  
A poverty law website ([www.povnet.org](http://www.povnet.org)), e-mail networking tool and databases for community legal advocates **\$110,000**

**Justice Education Society (formerly Law Courts Education Society of BC)**  
The Northern Public Legal Education Program — a legal information program for First Nations youth in Prince George and surrounding communities **\$76,000**

**Debate and Speech Association of BC**  
Participation of high school students in the province-wide Law Foundation Cup Debates on legal topics **\$20,000**

**LEGAL RESEARCH**

**University of British Columbia, Faculty of Law**  
Block grants for research and projects **\$27,500**

**University of Victoria, Faculty of Law**  
Block grants for research and student-run projects **\$27,500**

**LEGAL AID**

**Legal Services Society**  
Support for the BC legal aid plan and the provision of legal information to low-income people **\$3,599,750**

**Community-Based Advocacy**

**University of Victoria, Faculty of Law, Law Centre Clinical Law Program**  
A clinical program for law students providing legal services to low-income people in the Greater Victoria area **\$359,800**



*Glenn Gallins, director, The Law Centre Clinical Law Program, Faculty of Law, University of Victoria*

**Community Legal Assistance Society**  
Funding for three junior lawyers to work on poverty law issues **\$352,124**

**TRAC Tenant Resource & Advisory Centre Society**  
A legal information service for tenants and landlords on residential tenancy **\$297,490**

**West Coast Domestic Workers' Association**  
A specialized advocacy service and legal education program for live-in foreign domestic workers **\$179,650**

**Together Against Poverty Society**  
A lay advocacy program providing legal information and assistance to low-income people in the Greater Victoria area **\$168,000**

**University of British Columbia, Faculty of Law, First Nations Clinical Program**  
A clinical program for law students providing legal services to the Aboriginal community **\$167,000**

**Greater Vancouver Law Students' Legal Advice Program**  
A law students' legal advice program operating free clinics in the Greater Vancouver area **\$166,920**

**BC Coalition of People with Disabilities**  
Lay advocacy, legal information and referral services for people with disabilities **\$153,590**



*Jane Dyson, executive director, BC Coalition of People with Disabilities*

**Kettle Friendship Society**  
A mental health lay advocacy program providing legal information and assistance on residential tenancy and child protection matters in the Lower Mainland **\$150,000**

**Nelson Cares Society**  
A lay advocacy program providing legal information and assistance to low-income people in the West Kootenay region **\$143,866**

**Island JADE Society**  
A lay advocacy program providing legal information and assistance to low-income people in the Campbell River and Courtenay areas **\$117,060**

**BC Centre for Elder Advocacy and Support**

A lay advocacy program providing legal information and assistance to older adults throughout BC **\$112,500**

**MPA — Motivation, Power and Achievement Society**

Courtworkers to assist people with mental illnesses in the criminal justice system **\$112,500**



*Gurpreet Pabla, advocate, Progressive Intercultural Community Services Society*

**Abbotsford Community Services Society/Progressive Intercultural Community Services Society**

A lay advocacy program providing legal information and assistance to seasonal farm workers in Surrey and the Fraser Valley **\$109,000**

**Dze L K'ant Friendship Centre Society**

A lay advocacy and legal education program providing services to low-income people in the Smithers area **\$93,750**

**BC Families in Transition**

A lay advocacy program assisting unrepresented people in Family Court in Greater Victoria and providing family law information to low-income people **\$91,200**

**Community Connections Society of Southeast BC**

A lay advocacy program providing legal information and assistance to low-income people in the East Kootenay region **\$89,210**

**Downtown Eastside Residents' Association**

A lay advocacy program providing legal information and assistance to residents of Vancouver's Downtown Eastside **\$87,805**

**MOSAIC**

A lay advocacy program providing legal information and assistance to low-income immigrants and refugees in the Lower Mainland **\$87,670**



*Miriam Jurigova-Dell'Orto, advocate, MOSAIC*

**Ki-Low-Na Friendship Society**

A lay advocacy program providing legal information and assistance to low-income people in the Central Okanagan region **\$82,500**

**Atira Women's Resource Society**

A lay advocacy program providing legal information and help with poverty law, child protection, family law and criminal law to women in Vancouver's Downtown Eastside **\$75,000**

**Fort St. John Women's Resource Society**

A lay advocacy program providing information and assistance about poverty law issues to people in the Fort St. John area **\$75,000**

**Haida Gwaii Legal Project Society**

A lay advocacy program providing legal information and advocacy services on a variety of legal topics affecting low-income and Aboriginal people on Haida Gwaii **\$75,000**

**Kamloops and District Elizabeth Fry Society**

A lay advocacy program providing people in the Kamloops area with information about and assistance with poverty law issues **\$75,000**

**Nanaimo Citizen Advocacy Association**

A program providing poverty law advocacy services in the mid-island and Nanaimo region **\$75,000**

**Newton Advocacy Group Society**

A lay advocacy program providing assistance with and information about poverty law issues to low-income people in the Surrey area **\$75,000**

**Nicola Valley Community Justice Services Society**

A lay advocacy program providing information and assistance on poverty law issues to low-income people in the Nicola Valley **\$75,000**

**Penticton and Area Women's Centre**

A lay advocacy program providing legal information and assistance to low-income people in the Penticton area **\$75,000**

**Powell River Community Services Association**

A lay advocacy program providing legal information and assistance to low-income people in the Powell River area **\$75,000**



**South Fraser Women's Services Society**

A lay advocacy program providing legal information and assistance on family law to women in the Surrey/White Rock area **\$75,000**

**Active Support Against Poverty Society**

A lay advocacy program providing legal information and assistance to low-income people in the Prince George area **\$71,450**

**Abbotsford Community Services Society**

A program providing poverty law advocacy in the areas of income assistance, housing and disability issues **\$71,000**

**Quesnel Tillicum Society**

A lay advocacy program providing legal information and assistance to people in the Quesnel area **\$70,000**

**South Peace Community Resource Society**

A lay advocacy program providing poverty law information and assistance to people in the Dawson Creek area **\$65,000**

**Port Alberni Friendship Center**

A lay advocacy program providing legal information and assistance in the Port Alberni area **\$64,860**

**Battered Women's Support Services**

A lay advocacy program providing legal information and assistance to women in the Lower Mainland who have experienced abuse **\$62,600**

**Upper Skeena Counselling & Legal Assistance Society**

A lay advocacy program providing poverty law information and assistance to people in the Hazelton area **\$55,000**

**Contact Women's Group Society**

A lay advocacy program providing legal information and assistance to low-income people in the Williams Lake area **\$50,000**



Board members of the Prince Rupert Unemployed Centre Society with *Terry Intermela, advocate*, (second from right) and *Law Foundation Governor Linda Parsons, QC* (far right), at a site visit in Prince Rupert

**Prince Rupert Unemployed Centre Society**

A lay advocacy program providing poverty law information and assistance to people in the Prince Rupert area **\$35,000**

**Public Interest Law**

**Community Legal Assistance Society**  
Test case litigation and law reform on behalf of disadvantaged individuals and groups **\$734,950**

**West Coast Environmental Law Association**

Law reform, legal research, legal education, legal aid and a library collection about the public interest in environmental legal matters **\$705,900**

**BC Public Interest Advocacy Centre**  
Representation of the public interest in regulatory matters and systemic advocacy on behalf of disadvantaged people **\$446,240**

**BC Civil Liberties Association**  
Test case litigation, legal education and law reform to protect the civil liberties and human rights of British Columbians **\$313,600**

**West Coast LEAF Association**  
Legal education, law reform and test case litigation to advance equality for women **\$167,550**

**Other Legal Aid**

**Public Service Ads**

Placement of public service ads in yellow page directories, informing the public about legal aid services, free legal information and how to find a lawyer **\$99,540**

**Multiple Sclerosis Society, BC Division**  
The Volunteer Legal Advocacy Program providing legal information, advocacy and representation to people with multiple sclerosis **\$50,000**

**LAW REFORM**

**BC Law Institute**  
Law reform research leading to improvements in the law and the administration of justice **\$280,600**



*David Eby, executive director, BC Civil Liberties Association*

## BC Freedom of Information and Privacy Association

A program focusing on law reform and public legal education about freedom of information and privacy legislation

\$70,000



Vincent Gogolek, director, policy and communications, BC Freedom of Information and Privacy Association

## LAW LIBRARIES

### BC Courthouse Library Society (Courthouse Libraries BC)

The society's operating costs for the province's 30 courthouse law libraries

\$2,737,750

### Law Society of BC

Contribution to the operating costs of the CanLII Virtual Law Library, which includes providing current versions of BC legislation for free online

(www.bclaws.ca)

\$71,500



Law Foundation Annual Report team: Lois Shelton; Winnifred Assmann, editor; Linda Coe, designer

## LAW FOUNDATION HISTORY

- 1964 The House of Lords decides, in *Brown v. Inland Revenue Commissioners*, that interest on clients' money held in lawyers' pooled trust accounts does not belong to lawyers
- 1967 Law Foundation of New South Wales created to receive the interest on lawyers' trust accounts and use it to develop a fair justice system
- 1968 Charles Brazier, QC, of Davis and Company visits Australia and hears about the Law Foundation
- 1969 Kenneth Meredith and Arthur Harper, QC, on hearing about the idea from Mr. Brazier, spearhead the movement to create a law foundation in BC
- April 1, 1969 Law Foundation of British Columbia created by amendments to the Legal Professions Act; Arthur Harper, QC, is the first chair
- 1970 Law Foundation of BC has \$50,000 income and gives out a \$5,000 grant
- 1973–1986 Law foundations created in all Canadian jurisdictions
- 1975 Sholto Heberton, QC, visits his friend, Chief Justice Arthur England, in Florida, and tells him about the Law Foundation. Chief Justice England begins work on establishing one in Florida (and later, other states)
- 1981 Florida Bar Foundation is established, the first interest on lawyers' trust accounts (IOLTA) program in the United States
- 1985 National Association of IOLTA Programs is formed, and all US states eventually have one
- 2003 Constitutionality of IOLTA programs is affirmed by the US Supreme Court in *Brown v. Legal Foundation of Washington*
- 2009 Up to 2009, the Law Foundation of BC has given out more than \$420 million in grants to promote access to justice in BC



Madam Justice Victoria Gray, Sholto Heberton, QC



Arthur England, Linda Rexer, executive director, Michigan State Bar Foundation

## In the Spotlight


### Pro Bono Merger

In November 2009, the Western Canada Society to Access Justice (Access Justice) and Pro Bono Law of BC Society merged operations and moved into a shared office. By April 1, 2010, the merger will be complete and a new organization, Access Pro Bono Society of BC, will be formally established.

Encouraged by the Law Foundation, Access Justice and Pro Bono Law of BC have been working over the past two years toward merging into one organization. In 2008, the boards of both organizations approved the principle of a merge. In March 2009, the two organizations received a grant from the Law Foundation to provide transition funding for a merger. In June 2009, the Law Foundation announced a further grant for operating costs for a merged organization for the fiscal years 2010/2011 and 2011/2012.

The merger provides many benefits for Access Justice, Pro Bono Law of BC and their clients, including:

- a wider array of pro bono services throughout BC
- the elimination of service and advocacy redundancies



A justice system in which  
having limited means  
is not a barrier to obtaining  
quality legal services

Clockwise, from left: Michelle Quigg, Geoffrey Lim, Frank Yates, Vivian Song, Jimmy Yan, Tony Yin, Jamie Maclaren and Allan Parker, QC

- more effective client bookings and referrals
- the unified recruitment and training of lawyers
- decreased competition for funding
- stable operations with long-term viability

The Law Foundation foresees success in this merger, and one of the most important anticipated benefits of the project — better access to justice for more people in British Columbia.



Drew Jackson, manager, Community Outreach, and Brenda Rose, Clicklaw project coordinator, Courthouse Libraries BC

Clicklaw ([www.clicklaw.bc.ca](http://www.clicklaw.bc.ca)), a new website for legal information in BC, was launched in April 2009. Its mission is to provide equitable access to quality legal information, education and help for British Columbians.

Clicklaw is sponsored by a network of organizations in BC that provide or support public legal education and information

### Clicklaw

(PLEI). It is operated by Courthouse Libraries BC and was developed with a project grant from the Law Foundation.

Clicklaw lists almost 900 legal information resources from over 24 organizations. A new feature, the HelpMap, guides British Columbians to in-person services as well as links to phone and online resources that can help resolve legal problems.

The Clicklaw site is easy to use and contains clear summaries of how the site works for those who are not familiar with it. One useful tool is a video that shows how to use the HelpMap, at [blog.clicklaw.bc.ca/2010/01/11/video-clicklaw-helpmap-top-5-list](http://blog.clicklaw.bc.ca/2010/01/11/video-clicklaw-helpmap-top-5-list).

User comments best illustrate the value of Clicklaw: “I’ve been using Clicklaw to help clients on the LSS Call Centre a lot today. With one caller, I was able to guide him and his wife through Clicklaw, looking at Dial-A-Law scripts, the UBC LSLAP [Law Students’ Legal Advice Program] manual and small claims information. This couple was going through a very distressing time, and it really helped to point them to such a clear and useful resource like Clicklaw.”

# CELEBRATING

**1970**  
In 1970, the Law Foundation made its first grant of \$5,000.

**2009**  
In 2009, the Law Foundation paid out over \$18 million in grants.

**\$421M**  
The total given out in grants by the Law Foundation over 40 years is \$421 million.

The most ever given out in grants in a single year was \$44 million in 2007.

## Past Chairs of the Law Foundation

- (1969 – 1975) Arthur M. Harper, QC
- (1976 – 1978) Donald J. Lawson, QC
- (1979 – 1981) Mr. Justice Leslie M. Little
- (1982 – 1984) Norman Severide, QC
- (1985 – 1987) Marlene Scott, QC
- (1988 – 1989) Kenneth Antifaev, QC
- (1990 – 1991) Alec Robertson, QC
- (1992 – 1993) Mr. Justice Bowden
- (1994 – 1995) Allan McDonell, QC
- (1996 – 1997) Madam Justice Lynn Smith
- (1998 – 1999) Jane Morley, QC
- (2000 – 2001) Mr. Justice David Brine
- (2001) Madam Justice Victoria Gray
- (2001 – 2003) Don Silversides, QC
- (2004 – 2005) Professor Heather Raven
- (2006 – 2008) Warren Wilson, QC
- (2008) Judge Dev Dley
- (2009 – 2010) Mary Mouat



*Mr. Justice Jon Sigurdson, Madam Justice Lynn Smith, Linda McDonell, Allan McDonell, QC*



*Friends of the Law Foundation gather to celebrate the 40th anniversary*

# FORTY YEARS



Speakers at the Law Foundation's 40th anniversary event in March 2009: *Chief Justice Donald Brenner*, Supreme Court of BC; *Miriam Maisonville*, president, Canadian Bar Association, BC Branch; *Chief Justice Lance Finch*, BC Court of Appeal; *Associate Chief Judge Nancy Phillips*, Provincial Court of BC; *Gordon Turriff, QC*, president, Law Society of BC; *Mary Mouat*, chair, Law Foundation Board of Governors; *Wayne Robertson, QC*, executive director, Law Foundation

In its 40th year, the foundation continues to provide significant funding in its five mandate areas, as follows.

## Legal education

- public legal education and information provided by groups such as the People's Law School, Justice Education Society and Clicklaw, a new website for legal information
- the Law Society of BC's Professional Legal Training Course; a variety of fellowships, scholarships and bursaries for law students; an education and training fund for lay advocates; and a legal advocates training course

## Legal research

- a grant to the Foundation for Legal Research
- the Legal Research Fund
- block grants to the University of British Columbia and the University of Victoria

## Legal aid

- legal representation and other services from the Legal Services Society
- five significant public interest groups who do public interest test litigation
- funding for 45 community advocacy groups

## Law reform

- major funder of the BC Law Institute

## Law libraries

- the bulk of funding for the BC Courthouse Library Society
- the CANLII Virtual Law Library



*David Mossop, QC*, staff lawyer, Community Legal Assistance Society, and *Chris Maddock, QC*, supervising lawyer, Abbotsford Community Services Society

40 YEARS  
1969–2009

## Projects

### LEGAL EDUCATION

#### Professional Legal Education

##### Law Foundation

Legal advocacy training to develop and provide a course of core skills and legal knowledge that legal advocates need so they can provide competent services  
**\$155,720**

##### Université de Montréal, Faculty of Law, Canadian Institute for the Administration of Justice

An annual conference: The Evolving  
World of Legal Remedies **\$6,000**

#### Public Legal Education

##### Justice Education Society (formerly Law Courts Education Society of BC)

A project to create self-help materials  
for the Supreme Court of BC website  
**\$75,000**

##### MOSAIC

A project to develop legal education  
materials in several languages, and to  
provide legal education workshops in a  
number of BC communities about the  
rights and responsibilities of temporary  
foreign workers **\$60,000**

##### Castlegar & District Women's Centre Society

Workshops and a related website in the  
West Kootenay and Boundary region  
about consumer and credit issues  
**\$45,000**

##### Vancouver Area Human Rights Coalition Society

Workshops and legal advice clinics for  
small businesses on human rights in  
the workplace **\$45,000**

##### BC Coalition for People with Disabilities

Legal research on and the production of  
education resources about Registered  
Disability Savings Plans **\$43,766**

##### Greater Vancouver Alliance for Arts and Culture

A project to develop a legal toolkit for  
artists and arts organizations on issues  
such as copyright law and contracts  
**\$40,000**

##### Abbotsford Community Services Society

Family justice information workshops  
open to parents and grandparents in  
Abbotsford **\$15,000**

##### BC Coalition of People with Disabilities

A special edition of *Transition* magazine  
about how changes to BC's privacy and  
access to information legislation will  
affect people with disabilities **\$15,000**

##### Canadian Red Cross Society, Lower Mainland Region

A youth symposium: Global  
Humanitarian Issues **\$15,000**

##### The Land Conservancy of British Columbia

A project to provide legal information  
on succession planning and farmland  
access agreements to farmers, land-  
owners, land trusts and estate planners  
**\$15,000**

##### Multiple Sclerosis Society, BC Division

A two-day training course for volunteers  
helping clients with CPP and other  
disability benefits **\$15,000**

##### Options for Sexual Health

A project to revise, translate and  
distribute the booklet *Sex and the Law*  
**\$15,000**

##### Pro Bono Law of BC Society

Workshops on non-profit law in four  
communities around BC **\$15,000**

##### Voice of the Cerebral Palsied of Greater Vancouver

A project to revise, reprint and distribute  
an existing resource guide: *Rights and  
Responsibilities of People Receiving Home  
Support Services* **\$15,000**

##### Dogwood Initiative

A project to produce a handbook about  
best practices in community consultation,  
regulatory frameworks and legislation  
for coalbed methane development  
**\$9,000**

### LEGAL RESEARCH

##### John Howard Society of the Lower Mainland

Development of a guide identifying  
best practices for housing high-risk  
offenders in the community **\$45,000**

##### Law Foundation

A fund to support legal research by  
BC law professors and members of  
the legal profession

##### BC Civil Liberties Association

Implications under international and  
domestic law of Canada's participation  
in the United Nations Security  
Council's 1267 Committee's regime  
**\$20,000**

##### Melina Buckley, lawyer and legal policy consultant

Updating the Law on the Right to  
Counsel in Canadian Law **\$20,000**

##### University of British Columbia

Contracting for Biodiversity Conservation  
in Global Mining Projects: Emerging  
Environmental Law **\$20,000**

##### University of British Columbia

Expert Evidence: The Admissibility  
Enquiry **\$18,740**

*University of Victoria*  
The Political Nature and Impact of the Canadian Charter of Rights and Freedoms \$17,500

*University of Victoria*  
The Role and Regulation of Employment Agencies in the British Columbia Labour Market \$14,750

*University of Victoria*  
To the Exclusion of All Others: Polygamy, Monogamy and the Legal Family in Canada \$14,000

*Simon Fraser University, School of Criminology*  
Substance-Induced Psychosis and Criminal Responsibility \$10,124

*Margaret Isabel Hall*  
Legal and Community Response to Domestic Violence: Lessons from the Elder Abuse Paradigm \$10,068

*Thompson Rivers University, School of Tourism*  
Discrimination, Duty of Accommodation and Disabilities Law \$10,000

*University of Victoria*  
The Promises and Risks of Genetic Information: Potential for Genetic Discrimination in Access to Insurance \$8,100

**LEGAL AID**

**Community-Based Advocacy**

**Community Legal Assistance Society**  
The Community Advocate Support Line, a telephone service providing legal advice and support for community advocates \$140,000

**Chilliwack Community Services**  
A lay advocacy project providing poverty law information and assistance in Chilliwack \$75,000

**CHIMO Crisis Services Society**  
A lay advocacy project to provide poverty law information and assistance in Richmond \$75,000

**North Shore Community Resources**  
A lay advocacy project to provide legal information and assistance to low-income North Shore residents \$75,000

**Vernon and District Women’s Centre Society**  
A project providing poverty law advocacy, information and public legal education in the Vernon area \$75,000

**South Peace Community Resource Society**  
Bridging costs for a lay advocacy project providing poverty law information and assistance to the Dawson Creek area \$32,500

**Terrace Anti-Poverty Group Society**  
A lay advocacy project on residential tenancy issues in the Terrace area \$30,000



*Alison Ward, staff lawyer, Community Advocate Support Line*

**St. Paul’s Anglican Church**  
A self-help project to provide legal information and assistance to clients, and a computer for the public to access web-based legal resources \$15,000

**Other Legal Aid Projects**

**Pro Bono Law of BC Society**  
Operating costs for the merged Pro Bono Law of BC Society and Western Canada Society to Access Justice, to be known as the Access Pro Bono Society of BC \$805,000

**Pro Bono Law of BC Society**  
Transition costs for the merger of Pro Bono Law of BC Society and Western Canada Society to Access Justice \$87,000

**Pro Bono Law of BC Society**  
An extension of the Civil Chambers Pro Bono Duty Counsel Project that provides pro bono legal assistance and representation to low- and modest-income litigants appearing in civil Chambers at either the BC Supreme Court or the Court of Appeal \$75,000

**University of British Columbia**  
The Innocence Project — a project to provide assistance for those convicted of serious crimes who maintain their innocence \$75,000

**Western Canada Society to Access Justice**  
Operating and transition costs for the society \$75,000

**Salvation Army Belkin House**  
A clinical program providing free consultations on legal matters to low-income people \$50,000

**University of British Columbia — Pro Bono Students of Canada**  
Placing volunteer UBC law students with community-based public interest organizations in need of legal expertise \$48,720

**University of Victoria — Pro Bono Students of Canada**  
Placing volunteer University of Victoria law students with community-based public interest organizations in need of legal expertise \$37,334

## LAW REFORM

### BC Law Institute

A research project to study unfair contract terms and develop recommendations for reform of BC contract law \$75,000

### Ecojustice Canada Society

A project to strengthen provincial laws and policies protecting BC's water resources through research and law reform \$75,000

### BC Law Institute

A project to research provincial legislation on assisted living and draft legislation to address deficiencies and inconsistencies in current law \$50,000

### Canadian Forum on Civil Justice

A project to support and coordinate the national Action Committee on Access to Justice \$25,000

## CHILD WELFARE GRANTS

### Sto:lo Nation

A project to help families resolve child protection situations using a Sto:lo Nation model of dispute resolution \$55,000



Leanne Harder, consultant, and Jerry McHale, QC, governor, Child Welfare Fund Committee



Back row, left to right: Sandra Morgenstern (on leave) program assistant; Michael Seaborn, program director; Lauren Walker, program assistant; Wayne Robertson, QC, executive director; Lois Shelton, legal advocate training manager; Daphne Morrison, program director; Jo-Anne Kaulius, finance director; Jean Leggett, executive assistant; Janna Cumming, program director.  
Front row, left to right: Leona Stewart, program assistant; Amy Tam, program assistant; karima budhwani, program director (on leave); Linda Mix, program director; Veenu Saini, program director

## MISCELLANEOUS GRANTS

Support for organizations to address the following emergent needs recognized throughout the year:

### Watari Research Association

Bridging costs of the Community Court Project \$37,100

### Pivot Legal Society

An extension of the Low-Income Housing Tenant Strategic Advocacy Project to provide advocacy and representation on housing and homelessness issues \$30,000

### Nicola Valley Community Justice Services Society

Update, printing and distribution of the booklet *Legal Help for British Columbians* \$24,025

### TRAC Tenant Resource & Advisory Centre Society

Reprinting the *Tenant Survival Guide* \$20,000

### Provincial Court of British Columbia

Judicial Externship Program \$10,000

### Simon Fraser University, School of Criminology

Bursaries for the second international conference on restorative practices \$5,000

### Greater Vancouver Law Students' Legal Advice Society

Expenses to move into temporary office space \$3,445

### BC Public Interest Advocacy Centre

Board retreat and strategy meeting \$2,400

### BC Families in Transition

A planning and strategy meeting \$1,500

### Cowichan Valley Bar Association

Bursaries for law students \$700

**Total Miscellaneous Grants \$134,170**



Margaret Sasges, governor, Finance Committee, and Calvin Tompkins, auditor



# Financial Statements 2009

## 2009 Auditors' Report

December 31, 2009



To the Governors  
The Law Foundation of British Columbia

We have audited the statement of financial position of **The Law Foundation of British Columbia** as at December 31, 2009 and 2008 and the statements of changes in net assets, income and expenses, and cash flows for the years then ended. These financial statements are the responsibility of the foundation's governors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the foundation as at December 31, 2009 and 2008 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

*Joyline Wozny, Miller & Co.*

Chartered Accountants

Vancouver, Canada

March 3, 2010

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

## Statement of Financial Position

The Law Foundation of British Columbia

As at December 31

	2009 \$	2008 \$
<b>ASSETS</b>		
Cash	804,911	416,647
Investments [note 4]	87,925,210	99,481,334
Prepaid expenses and other	65,662	35,085
Property and equipment [note 5]	96,021	116,954
	<b>88,891,804</b>	<b>100,050,020</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts payable	136,461	182,648
Child Welfare Fund [note 6]	252,643	222,880
Legal Services Society/ Law Foundation Research Fund [note 7]	2,170,500	2,000,000
Grants payable [note 8]		
— within one year	32,007,516	38,598,856
— long term	12,954,566	17,430,785
<b>Total liabilities</b>	<b>47,521,686</b>	<b>58,435,169</b>
<b>Net assets</b>		
Equity in property and equipment	96,021	116,954
Grant stabilization reserve [note 9]	41,274,097	41,497,897
<b>Total net assets</b>	<b>41,370,118</b>	<b>41,614,851</b>
	<b>88,891,804</b>	<b>100,050,020</b>

Commitments [note 13]

See accompanying notes

Approved by:

Governor

Governor

## Statement of Changes in Net Assets

Years ended December 31

	EQUITY IN PROPERTY AND EQUIPMENT \$	GRANT STABILIZATION RESERVE \$	NET ASSETS \$
<b>2009</b>			
Balance, beginning of year	116,954	41,497,897	41,614,851
Decrease in net assets for the year	(39,180)	(205,553)	(244,733)
Acquisition of property and equipment	18,247	(18,247)	—
	<b>96,021</b>	<b>41,274,097</b>	<b>41,370,118</b>
<b>2008</b>			
Balance, beginning of year	171,352	43,756,141	43,927,493
Decrease in net assets for the year	(59,293)	(2,253,349)	(2,312,642)
Acquisition of property and equipment	4,895	(4,895)	—
	<b>116,954</b>	<b>41,497,897</b>	<b>41,614,851</b>

See accompanying notes

## Statement of Income and Expenses

Years ended December 31

	2009 \$	2008 \$
<b>INCOME</b>		
Interest received on lawyers' trust accounts	6,174,086	31,920,811
Investment income (loss) (net) [note 10]	12,288,485	(4,943,524)
Unclaimed trust funds and other income [note 11]	338,396	207,338
	18,800,967	27,184,625
Child Welfare Fund [note 6]	20,237	809,285
	18,821,204	27,993,910
<b>EXPENSES</b>		
Audit and annual report	53,021	51,983
Consulting and legal	111,880	130,161
Meetings and travel	157,035	193,448
Office and other	113,560	117,295
Rent and occupancy costs	159,355	141,233
Salaries and employee benefits	1,033,692	947,768
Amortization of property and equipment	39,180	59,293
Total expenses	1,667,723	1,641,181
Child Welfare Fund [note 6]	20,237	809,285
	1,687,960	2,450,466
<b>Net income before grants approved</b>	<b>17,133,244</b>	<b>25,543,444</b>
<b>Program and project grants approved</b> [note 12]	<b>18,421,012</b>	<b>28,086,921</b>
Less program and project grants refunded or unused	1,043,035	230,835
	17,377,977	27,856,086
<b>Decrease in net assets for the year</b>	<b>(244,733)</b>	<b>(2,312,642)</b>

See accompanying notes

## Statement of Cash Flows

Years ended December 31

	2009 \$	2008 \$
<b>OPERATING ACTIVITIES</b>		
Interest received on lawyers' trust accounts	6,174,086	31,920,811
Investment income realized (net)	3,852,190	5,189,897
Unclaimed trust funds and other income received	338,396	207,338
Expenses paid	(1,705,307)	(1,642,923)
Program and project grants paid, net of refunds and returns	(27,695,729)	(27,000,830)
<b>Cash provided by (used in) operating activities</b>	<b>(19,036,364)</b>	<b>8,674,293</b>
Legal Services Society/Law Foundation Research Fund — grant	—	1,000,000
— investment income	170,500	—
Child Welfare Fund payments, net of grants received	(720,044)	(904,789)
	(19,585,908)	8,769,504
<b>INVESTING ACTIVITIES</b>		
Property and equipment purchased	(18,247)	(4,895)
Sale (purchase) of investments (net)	19,992,419	(8,593,531)
<b>Cash provided by (used in) investing activities</b>	<b>19,974,172</b>	<b>(8,598,426)</b>
<b>Increase in cash for the year</b>	<b>388,264</b>	<b>171,078</b>
Cash, beginning of year	416,647	245,569
<b>Cash, end of year</b>	<b>804,911</b>	<b>416,647</b>

See accompanying notes

## Notes to Financial Statements

The Law Foundation of British Columbia

December 31, 2009

### 1. NATURE OF ACTIVITIES

The Law Foundation of British Columbia (the foundation) was established in 1969 under the Legal Profession Act of British Columbia as a tax exempt not-for-profit organization to receive and distribute interest on clients' trust funds held in lawyers' pooled trust accounts. The foundation is administered by a board of governors who are responsible for distributing these funds to provide legal aid, legal research, law reform, legal education and law libraries for the benefit of the general public of British Columbia.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The foundation prepares its financial statements in accordance with Canadian generally accepted accounting principles. In 2010, the foundation expects to adopt generally accepted accounting principles for private enterprises (PE GAAP), a new set of Canadian accounting principles for non publicly accountable enterprises that were released by the Canadian Institute of Chartered Accountants (CICA) in December 2009. The adoption of these principles is an alternative to the adoption of International Financial Reporting Standards (IFRS) that will be mandatory for publicly accountable enterprises in 2012. The CICA is reviewing the sections of existing Canadian GAAP that apply to not-for-profit organizations, and is expected to amend these sections in 2010 for inclusion with the new PE GAAP standards.

#### **Cash Basis — Interest on Lawyers' Pooled Trust Accounts**

The foundation uses the cash basis of reporting interest earned on lawyers' pooled trust accounts.

The foundation assumes that solicitors who hold funds in trust for or on account of clients comply strictly with Section 62 of the Legal Profession Act and Part 3 Division 7 of the Rules of the Law Society of British Columbia. These rules require that interest earned on funds held in lawyers' pooled trust accounts be remitted to the foundation.

#### **Property and Equipment**

Expenditures on property and equipment are capitalized and amortized on a straight-line basis as follows:

- Leasehold improvements term of lease
- Furniture and equipment 5 years
- Computers and accessories 3 years

For property and equipment, except leasehold improvements, one-half the normal amortization is recorded in the year the asset is acquired.

#### **Investment Income and Operating Expenses**

Investment income and operating expenses are accounted for on an accrual basis.

#### **Program and Project Grants Approved**

The foundation expenses grants in the current year that provide annual operating funding to organizations covering 12-month periods beginning in the current and subsequent calendar years, plus grants for special projects, which may be payable over several years. Those grants that are not yet paid are reflected as grants payable.

Grants made that are conditional on the receipt of matching funds by the grantee are included in program and project grants approved and grants payable. Unmatched grants may be reversed, transferred to other programs or projects, or the matching condition may be waived, as subsequently approved by the foundation.

Expenditures on programs that are operated by the foundation are included in program and project grants approved as they are disbursed. The unexpended portion of funding approved for these programs is reflected as a commitment and is not included in grants approved or grants payable.

#### **Investments**

Investments are recorded at market value. Gains and losses arising from changes in the market value of investments are recorded as they occur. Transactions are reported based on their settlement date.

#### **Restricted and Administered Funds**

##### **a) Child Welfare Fund**

The Child Welfare Fund is an externally restricted grant that is being reported as both income and expense as qualifying expenses are incurred or grants are awarded.

##### **b) Legal Services Society/Law Foundation Research Fund (research fund)**

The foundation's 50% contribution to the research fund has been treated as an approved grant. This grant has been added to the funding provided by the Legal Services Society of BC, and the combined amount has been reported as the research fund liability. As the foundation administers, but does not exclusively control the expenditures from the research fund, future expenditures from the fund will be treated as a reduction of the research fund liability.

#### **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 and disclosure

of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reported period. Actual results could differ from the estimates.

#### Statement of Cash Flows

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

### 3. FINANCIAL INSTRUMENTS

The foundation has adopted the recommendations of Sections 3855 and 3861 of the *Canadian Institute of Chartered Accountants Handbook* dealing with financial instruments. The foundation's financial instruments consist of cash, investments, accounts payable and grants payable. The foundation has elected to value its cash and investments at fair value on a held for trading basis. The foundation reports its accounts payable and grants payable at amortized cost. Any change in fair value is brought in to income or expense as it occurs. The foundation's investments are the only financial instruments with a significant difference between cost and fair value.

The foundation's equity fund investments are subject to market risk. Its fixed income fund investments and bank deposits are subject to credit risk, and yields that are subject to changes in prevailing interest rates. The foundation's exposure to currency risk is indicated by its ownership of international bonds, debentures and other foreign content, as described in note 4. The foundation does not engage in hedge transactions. As the majority of the foundation's investments consist of pooled funds, it is the opinion of management that the foundation is not exposed to liquidity or cash flow risk with respect to its investments, nor is it subject to significant concentrations of credit risk.

### 4. INVESTMENTS

	COST \$	MARKET VALUE \$
<b>2009</b>		
CC&L Canadian Q-Core Fund — 2,229,028 units	23,041,845	19,158,280
CC&L Bond Fund — 6,545,865 units	69,657,340	68,766,930
	92,699,185	87,925,210

	COST \$	MARKET VALUE \$
<b>2008</b>		
CC&L Canadian Q-Core Fund — 2,169,643 units	22,717,264	14,267,578
CC&L Bond Fund — 8,544,960 units	91,066,847	85,213,756
	113,784,111	99,481,334

The foundation owns 2.761% (2008 — 2.964%) of the units of the CC&L Canadian Q-Core Fund and 6.536% (2008 — 7.846%) of the units of the CC&L Bond Fund. The CC&L Canadian Q-Core Fund consists solely of Canadian equities. The CC&L Bond Fund consists of Canadian government and corporate bonds and debentures that make up approximately 90.6% (2008 — 88.8%) of its portfolio and international bonds, debentures and other foreign content that make up approximately 9.4% (2008 — 11.2%) of its portfolio.

At December 31, 2009, the average yield of the CC&L Bond Fund investments was 3.59% (2008 — 4.91%).

The foundation's investment policy allows for equities of up to 25% of the market value of its portfolio, with pooled fixed income funds making up the remainder.

### 5. PROPERTY AND EQUIPMENT

	COST \$	ACCUMULATED AMORTIZATION \$	NET BOOK VALUE \$
<b>2009</b>			
Leasehold improvements	123,027	63,471	59,556
Furniture and equipment	82,381	54,832	27,549
Computers and accessories	32,758	23,842	8,916
	238,166	142,145	96,021
<b>2008</b>			
Leasehold improvements	161,429	84,071	77,358
Furniture and equipment	98,594	69,722	28,872
Computers and accessories	34,749	24,025	10,724
	294,772	177,818	116,954

## 6. CHILD WELFARE FUND

The BC Ministry of Children and Family Development granted the foundation \$1 million in 2004, an additional \$2 million in 2006 and \$124,000 in 2008 to develop innovative proposals consistent with the guiding principles of the Child, Family and Community Service Act, to expand the use of alternative dispute resolution in child welfare — particularly for Aboriginal children and families.

In 2008, the foundation granted \$350,000 to the fund. In 2009, a \$50,000 grant was received from the province of British Columbia Office of the Representative of Children and Youth for the purpose of child welfare evaluation and research.

The fund comprises:

	2009 \$	2008 \$
Child Welfare Fund, beginning of year	222,880	558,165
Grants received	50,000	124,000
Law Foundation grant	—	350,000
	272,880	1,032,165
Direct development expenses paid	(58,604)	(130,684)
Grants — paid	(16,700)	(131,225)
— returned to the fund/ (payable)	55,067	(547,376)
	(20,237)	(809,285)
<b>Child Welfare Fund, end of year</b>	<b>252,643</b>	<b>222,880</b>

## 7. LEGAL SERVICES SOCIETY/LAW FOUNDATION RESEARCH FUND (RESEARCH FUND)

The Legal Services Society of BC and the foundation established the research fund with a grant of \$1,000,000 each, pursuant to a deed of trust dated March 31, 2008. The purpose of the research fund is to support research on and evaluation of legal aid and other access to justice programs to enhance the quality of and access to justice for British Columbians. The research fund is to be administered by the foundation, and distribution of the funds is to be approved by an advisory committee consisting of one nominee from the Legal Services Society, the foundation and the Notary Foundation. Investment income earned on unexpended funds is to be added to the research fund.

	2009 \$	2008 \$
Research fund, beginning of year	2,000,000	—
Grants received	—	1,000,000
Law Foundation grant	—	1,000,000
Investment income earned [note 10]	170,500	—
	2,170,500	2,000,000

## 8. LONG-TERM GRANTS PAYABLE

The foundation has approved grants with multi-year payment schedules that are estimated to be payable in the following years:

	2009 \$	2008 \$
2009	—	38,598,856
2010	32,007,516	11,036,282
2011	9,903,026	5,733,923
2012	2,201,540	365,783
2013	725,000	294,797
2014 – 2015	125,000	—
	44,962,082	56,029,641
Less portion payable within one year	(32,007,516)	(38,598,856)
	12,954,566	17,430,785

## 9. GRANT STABILIZATION RESERVE

The foundation has a goal of insulating continuing programs from fluctuations in the foundation's income that result from changes in the prime rate and the balances in lawyers' pooled trust accounts that generate income to the foundation. To accomplish this goal, the foundation has built up a reserve that functions as a stabilization fund that declines in years in which the foundation's net income is less than the grants approved, and increases when net income is greater than the grants approved.

## 10. INVESTMENT INCOME (LOSS)

Investment income (loss) comprises:

	2009 \$	2008 \$
Interest and dividends earned	4,248,385	5,436,944
Write-up (write-down) of investment value to market	9,528,801	(10,001,310)
Loss on sale of investments	(1,092,506)	(132,111)
Investment advisory fees	(225,695)	(247,047)
Subtotal	12,458,985	(4,943,524)
Less investment income allocated to Research Fund [note 7]	(170,500)	—
	12,288,485	(4,943,524)

## 11. UNCLAIMED TRUST FUNDS AND OTHER INCOME

### Unclaimed Trust Funds

Under the Law Society of British Columbia's (the society) unclaimed trust fund procedures, lawyers submit unclaimed trust funds to the society. The society holds the funds for five years before remitting the money to the foundation. The total received for 2009 was \$210,746 (2008 — \$92,273).

### Other Income

In 2007, the Law Society of BC Pro Bono Funding Task Force recommended that the society allocate a portion of annual lawyers' practice fees to fund pro bono services. The Task Force noted that the foundation was uniquely well suited to determining recipients of pro bono grant funds and the benchers decided to transfer one percent of the general fund portion of annual lawyers' practice fees to the foundation to be used for funding pro bono programs. The total received for 2009 was \$127,650 (2008 — \$115,065).

## 12. PROGRAM AND PROJECT GRANTS APPROVED

	2009 \$	2008 \$
Major continuing program and project grants were made to:		
Legal Services Society of BC	3,599,750	5,471,314
BC Courthouse Library Society	2,737,750	2,886,250
University of Victoria, Faculty of Law	559,650	1,958,522
University of BC, Faculty of Law	513,240	895,500
Other continuing program grants	8,338,290	7,193,341
Other project grants	2,672,332	9,681,994
	18,421,012	28,086,921

There were no project grants in 2009 that were originally conditional upon the receipt of matching funds by the grantees

(2008 — \$300,000). At December 31, 2009, aggregate grants totalling \$3,214,734 (December 31, 2008 — \$4,189,589) were conditional upon the receipt of matching funds.

## 13. COMMITMENTS

### a) Premises Lease

In addition to shared building operating costs, property taxes and GST, the foundation is committed to annual rent payments until April 30, 2013 for its office premises. The required payments are as follows:

	ANNUAL RENT PAYMENTS \$	TOTAL RENT COMMITMENT \$
2010 – 2012	77,088	231,264
2013 (4 months)	31,988	31,988
		263,252

### b) Legal Advocacy Training Course

In 2008, the foundation agreed to provide funding totalling \$484,500 to set up and manage a legal advocacy training course and to operate the program for a three-year period. In 2009, the foundation expended \$155,720 (2008 — \$162,750) on expenses relating to the development and operation of this program, and this amount is included in program and project grants approved. At December 31, 2009, the foundation was committed to spending a further \$166,030 on this program.

## 14. CAPITAL DISCLOSURES

The foundation defines its capital as its net assets, principally its grant stabilization reserve, plus the amounts required to pay its grants payable and its Child Welfare Fund and Legal Services Society/Law Foundation Research Fund obligations. The foundation manages its capital with the goal of making funds available to meet its grant and funding obligations, to make future grants to continuing grantees, and to make future one-time project grants. The foundation accomplishes this, in part, by depositing its operating capital with chartered Canadian financial institutions, and by placing the balance of its capital with professional fund managers who invest its capital in accordance with investment policies set by the foundation's governors.

There were no changes to the foundation's overall capital risk management strategy during the year ended December 31, 2009, and there are no external restrictions on the foundation's capital except those relating to the Child Welfare Fund and Legal Services Society/Law Foundation Research Fund.

## 15. COMPARATIVE FIGURES

Certain 2008 figures have been reclassified to conform to the current year's financial statement presentation.

## Board of Governors

As of December 31, 2009

### FRONT ROW, LEFT TO RIGHT

#### Mary Mouat

Chair of the Board of Governors  
Ex-officio member of all committees

#### Justice David Masuhara

Policy and Planning Committee  
Special Needs Fund Committee

#### Suzette Narbonne

New Initiatives Committee  
Special Needs Fund Committee (Chair)

#### Anna Fung, QC

Finance and Administration  
Committee  
New Grants Committee

### SECOND ROW, LEFT TO RIGHT

#### Judge Dennis Schmidt

Bursary, Scholarship and Fellowship  
Committee  
New Initiatives Committee

#### Margaret Sasges

Bursary, Scholarship and Fellowship  
Committee (Chair)  
Finance and Administration  
Committee

#### Linda Parsons, QC

New Initiatives Committee  
Policy and Planning Committee  
(Chair)

#### Kelle Maag

Finance and Administration  
Committee  
Special Needs Fund Committee

### THIRD ROW, LEFT TO RIGHT

#### Frank Scordo

New Grants Committee  
New Initiatives Committee

#### Doug McCallum

Finance and Administration  
Committee  
New Grants Committee

#### Patricia Schmit, QC

New Grants Committee  
Policy and Planning Committee

#### Nancy Merrill

New Grants Committee (Chair)  
Child Welfare Fund Committee

#### John Waddell, QC

New Initiatives Committee (Chair)  
Policy and Planning Committee

#### John Dustan

Bursary, Scholarship and Fellowship  
Committee  
Finance and Administration  
Committee (Chair)

### BACK ROW, LEFT TO RIGHT

#### Robert Groves

Child Welfare Fund Committee  
New Initiatives Committee

#### Jerry McHale, QC

Child Welfare Fund Committee

#### Bruce Strachan

Child Welfare Fund Committee  
(Chair)  
Policy and Planning

#### Samantha Hulme

New Grants Committee  
Policy and Planning Committee

### ADDITIONAL COMMITTEE MEMBERS (not in photo)

#### Warren Wilson, QC

Finance and Administration  
Committee

#### Heather Raven

Child Welfare Fund Committee

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## Featured on the front cover

Clockwise:

1. Patricia Schmit, QC; Peter Warner, QC; Bruce LeRose, QC
2. Robin Brine; John Waddell, QC; Mr. Justice David Brine; Marlene Scott, QC
3. Arthur Harper, QC; Mary Mouat; Kenneth E. Meredith

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Brian Dennehy, Jean Leggett,  
Sandra Morgenstern, Lois Shelton

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Winnifred Assmann and Ben D'Andrea  
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