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2011



Annual Report



Margaret Sasges
Chair

Report from the Chair

It is a privilege to report to you at the end of my first year as chair of the Law Foundation of BC board of governors. I assumed this role in January 2012, succeeding Mary Mouat of Victoria, who served as foundation chair for the past two years. During her six years on the foundation board, Mary served on a number of committees, including Policy and Planning, New Grants, Child Welfare Fund, and Finance and Administration. She dealt with a number of challenging issues during her tenure, and led the foundation always with good humour and wisdom. Her thoughtful support of staff was especially appreciated.

The instability of the world economy, particularly the ongoing low interest rate environment, has affected the Law Foundation's income. For four years,

the foundation has had to draw on its grant stabilization fund to maintain funding for our grantees. In 2011, this draw-down amounted to \$4.9 million. While this was slightly less than anticipated at the beginning of the year, it nonetheless means that finances are becoming tighter, and, unless rates increase in the near future, decisions to reduce funding may become a possibility.

In 2012, the Law Foundation anticipates having to again draw down the grant stabilization fund, perhaps by up to a further \$7 million.

Interest rates are significant because the rate paid to the foundation on lawyers' pooled trust accounts is pegged to the prime rate.

In 2012, the Law Foundation anticipates having to again draw down the grant stabilization fund, perhaps by up to a further \$7 million. In the meantime, the foundation will likely be unable to fund new initiatives beyond our current continuing programs and projects.

Fortunately, as a result of previous Law Foundation boards' foresight, the fund had been built up to a healthy level, which has allowed us to continue funding all our continuing programs and maintain project funding without cuts. This will continue to be the foundation's goal in the future.

The foundation is grateful to those financial institutions that provide competitive rates of return on lawyers' pooled trust accounts. We particularly want to acknowledge the favourable agreements provided by HSBC Bank Canada, Canadian Imperial Bank of Commerce, Royal Bank of Canada, TD Canada Trust and Vancouver City Savings Credit Union. We would also like to thank members of the profession who choose institutions accordingly, as this will ensure that the foundation receives the highest possible rates of return.

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

In 2011, the foundation assessed 285 applications for funding, and funded 89 continuing programs and 70 projects (13 large, 10 small, 15 on-track and 32 other grants). These grants totalled

over \$20 million. Of this amount, almost \$18 million was allocated to continuing programs.

Highlights in 2011 included:

- The Executive Directors' Roundtable — The Law Foundation brought together the executive directors of all of our continuing grantees to discuss issues facing them, how to meet the legal needs of the people of BC, and how the foundation can best support them.
- Supervising Lawyers' Conference — The lawyers who supervise Law Foundation-funded programs met to exchange ideas and concerns, and to help strengthen their network of support.
- A review of grantee year-ends — We reconciled the fiscal years of grantees with the Law Foundation grant years. This should make it easier for all concerned to track the use of foundation funds.
- An update of the Law Foundation website, including the introduction of online applications — I urge you to take a look at our new website to gain an appreciation for all the activities that the foundation's funds support. On our home page is a map of the province with pins identifying the various organizations that we fund throughout BC.
- The formation of a family law working group — the foundation recognizes that family law problems are among the most pressing faced by the people of BC. This group will report back in 2012, with ideas for both no-cost ways to address the issues, and further ideas for when funds become available again in the future.
- A discussion began about other sources of revenue.
- Most importantly, significant work continued to be done in 2011 by Law Foundation-funded grantees:
 - 75,000 people received legal information, advice, summary service or representation from Law Foundation-funded advocates or lawyers, in all regions of the province. These services covered a variety of legal problems, including poverty law, disability, income security, housing, debt, family law and child protection law.
 - Clicklaw, coordinated by Courthouse Libraries BC, links to 1,300 resources from 25 legal and public legal education organizations, and is now the key online contact point for people seeking legal information. Last year, over 99,000 people accessed information through the portal, and the number grows monthly as it becomes better known. The Clicklaw HelpMap directs people to legal services at over 800 locations in the province.

- Finally, the Law Foundation's 105 continuing and on-track programs continue their work, as described in this report, including everything from legal aid provided by the Legal Services Society, through law reform undertaken by the British Columbia Law Institute and scholarships for law students, to the Debate and Speech Association Law Foundation Cup Debates on legal topics.

In 2011, 75,000 people received legal information, advice, summary service or representation from Law Foundation-funded advocates or lawyers, in all regions of the province.

This past year, we said farewell to Governor Jerry McHale, QC, who served on the board for almost 10 years as the Attorney General's designate (as the Assistant Deputy Minister, Justice Services Branch). In 2011, Mr. McHale left the Justice Services Branch to serve as the Lam Chair in Law and Public Policy at the University of Victoria. Mr. McHale has been a tireless advocate for access to justice during his time in government and on the foundation board. Governor McHale served on the foundation's Child Welfare Fund Committee, and was instrumental in supporting creative alternate dispute resolution models for dealing with Aboriginal child welfare issues.

We also said farewell to Bruce Strachan, who has served on the board since 2005. Governor Strachan served on the Child Welfare Fund, Policy and Planning, and New Initiatives Committees, and was chair of the Child Welfare Fund Committee. Governor Strachan, who was previously a cabinet minister in the provincial government, as well as being a talk show host in Prince George, provided wise and thoughtful leadership to the foundation during his seven years on the board.

In August 2011, the Attorney General appointed Jay Chalke, QC (Assistant Deputy Minister, Justice Services Branch, Ministry of Attorney General) to the Law Foundation board as her designate. Mr. Chalke had previously been Public Guardian and Trustee for BC. His background includes positions as Deputy Public Guardian and Trustee in Ontario, and head of a review of New Brunswick Correctional Institutions. Mr. Chalke is a graduate of the University of Ottawa Law School, and was appointed Queen's Counsel in December 2006.

Also new to the foundation board in January 2012 is Anita Dalakoti, who was also appointed by the Attorney General. Governor Dalakoti is a financial advisor with Sun Life, and has an MBA from Durham University in the UK, as well as a Masters degree in Russian Literature from Jawaharlal Nehru University in New Delhi, India. Prior to immigrating to Canada in July 2000, she lived and worked in China and for the Australian government. Her community involvement includes the Canadian Disabled Individuals Association, Rotary Club and the Canada-India Foundation. She speaks several languages, including Hindi, Urdu, Mandarin, Russian and French.

Finally, at the staff level, an important member of Law Foundation staff retired this year. Daphne Morrison served as a program director of the Law Foundation for 12 years. During that time, she was responsible for a number of important initiatives, including the Child Welfare Fund, the Public Legal Education and Information Working Group, and legal education in schools. Her quiet, insightful presence will be missed, as will her knowledge of community organizations around the province. We are pleased to have Janna Cumming, formerly a staff lawyer at the Legal Services Society LawLINE, join us.

In closing, I would like to thank our board of governors for their ongoing commitment to improving access to justice for the people of British Columbia. I appreciate everyone's commitment to taking up the challenge during these difficult financial times, as we strive to be wise stewards of the Law Foundation's funds. Supported by hard-working foundation staff, we will continue to ensure that foundation funds are used in the most effective way possible to fulfill the Law Foundation's mandate.



Margaret Sasges

Chair 2011

Profile

The mandate, mission statement, vision and values have been adopted by the board of governors as policy guidelines. In 2009, the board set strategic priorities for the next five years. These are the principles upon which funding decisions are based.

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 2010–2015

- 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, 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, 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 2011, the Law Foundation has approved grants totalling almost 460 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:

- Fellowships and Research (Formerly Bursary, Scholarship and Fellowship)
- Finance and Administration
- New Grants
- Policy and Planning
- Special Needs Fund

The board and the committees meet regularly during the year. A staff of 12 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
info@lawfoundationbc.org
www.lawfoundationbc.org

Program Objectives

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:

- a. increasing public awareness of the law and the justice system;
- b. providing education to groups with particular legal needs; and
- c. 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:

- a. law,
- b. social policy and
- c. 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:

- a. advice to and representation of economically disadvantaged persons; and
- b. 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.

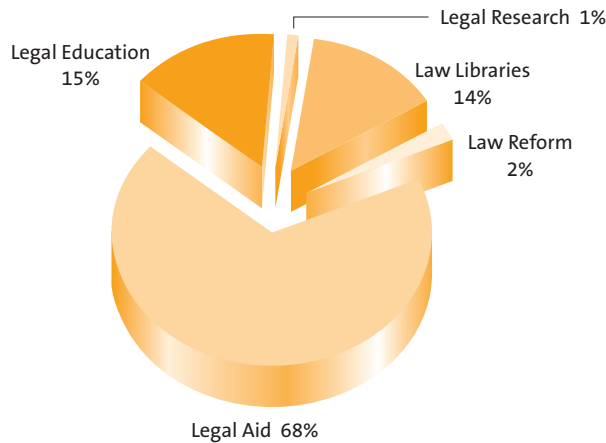
Programs and Projects Funded in 2011

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.

Please note: This year, the foundation implemented work to align its program grants with the fiscal years of several organizations. As a result, some programs received more or less than one 12-month grant. In these cases, the entry will include the total funds paid to the group and note in parentheses the time period covered by the grant.



Grants Approved in 2011

Legal Education	\$ 3,060,622
Legal Research	274,541
Legal Aid	14,182,519
Law Reform	470,600
Law Libraries	2,809,250
Total	\$20,797,532

- **Continuing program grants**
Total: \$17,929,400
- **Project grants**
Total: \$2,868,132
- **Child Welfare Fund Grants**
Total: \$100,000
- **Legal Services Society/
Law Foundation Research
Fund Grants**
Total: \$171,000

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**
Public interest work placements **\$65,000**
Undergraduate scholarships **\$58,000**
Entrance awards for disadvantaged students **\$27,000**

Law Foundation

Public interest articling fellowships that allow students to work at non-profit organizations

Community Legal Assistance Society **\$120,000**

BC Law Institute **\$60,000**

BC Public Interest Advocacy Centre **\$60,000**

Law Foundation

An education and training fund for the professional development of Law Foundation-funded advocates **\$114,000**

University of Victoria, Faculty of Law

Public interest work placements **\$97,200**
Graduate scholarships **\$60,000**
Entrance scholarships **\$58,000**

Law Foundation

Graduate fellowships for graduate legal studies by BC lawyers and graduates of BC law schools **\$68,752**

Christina Beninger: Studies that focus on women's rights and gender equality within international human rights law theory and practice

Lorne Neudorf: A study about the effect of judicial independence in developing states

Aminollah Sabzevari: Studies in health law, focussing on infant public health issues

Karen L. Whonnock: A comparative analysis of the experience of Aboriginal women in the New Westminster First Nations Court and BC Provincial Court

University of British Columbia, Faculty of Law

Block grant for research and education projects **\$27,500**

University of Victoria, Faculty of Law

Block grant for research and education projects **\$27,500**

University of Saskatchewan, Native Law Centre

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

Provincial Court of British Columbia

A program that allows law students participating in Provincial Court judicial internships to attend circuit courts around BC **\$20,000**

Public Legal Education

BC Branch, Canadian Bar Association

The Lawyer Referral Service providing low-cost legal information and assistance; Law Week 2011; and Dial-A-Law (July 2011 – August 2012) **\$323,610**

People's Law School Society

Province-wide legal information and education programs **\$288,640**

Justice Education Society

A program to provide legal education and information about the justice system for the public (January 2012 – March 2013) **\$187,500**

PovNet Society

A poverty law website (www.povnet.org), e-mail networking tool and databases for community legal advocates **\$110,000**

Justice Education Society

The Northern Public Legal Education Program for First Nations youth in the Prince George area **\$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

Law Foundation

A legal research fund to advance the knowledge of law, social policy and the administration of justice by supporting legal research by BC law professors, members of the legal profession, other faculty, and non-profit organizations with expertise in carrying out legal research.

Simon Fraser University School of Criminology, Patrick Lussier: Comparative research on the use of dangerous offender and long-term supervision orders with adult sex offenders **\$19,655**

Joan Rush: Research about government's obligation to provide adults in BC with developmental disabilities with timely access to dental treatment **\$17,000**



Teresa Augustine, executive director, People's Law School Society

University of British Columbia, Susan Boyd: An analysis of how parenthood disputes involving mixed-race children are resolved **\$16,286**

University of British Columbia, Cristie Ford: Research about how flexible regulation of the financial industry affects social welfare priorities **\$15,000**

University of Victoria, Faculty of Human and Social Development, Sibylle Artz: Research focussed on strategies to reduce the number of girls jailed for administrative offences **\$15,000**

University of Victoria, Hamar Foster, QC: A book on the first campaign for recognition of Aboriginal title in BC **\$14,500**

Thompson Rivers University, Janna Promislow: Research about the principle of the "honour of the Crown," and how it may apply in Aboriginal law **\$10,600**

Thompson Rivers University, Ken Cooper-Stephenson: A book that examines claims for damages under the human rights provisions of constitutions **\$6,500**

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

Poverty Law Advocacy Services

The following advocacy programs provide legal information and assistance to low-income people in the cities and regions listed.

Nelson Cares Society

West Kootenay region (April 2011 – March 2013) **\$287,732**

Together Against Poverty Society

Greater Victoria area **\$168,000**

Community Connections Society of Southeast BC

East Kootenay region (July 2011 – March 2013) **\$156,120**

Ki-Low-Na Friendship Society

Central Okanagan region (July 2011 – March 2013) **\$144,375**

Active Support Against Poverty Society

Prince George area (July 2011 – March 2013) **\$131,250**

Contact Women's Group Society

Williams Lake area (July 2011 – March 2013) **\$131,250**

Port Alberni Friendship Center

(July 2011 – March 2013) **\$131,250**

Island JADE Society

Campbell River and Courtenay areas **\$117,060**

Abbotsford Community Services Society

Abbotsford area (January 2012 – March 2013) **\$93,750**

Abbotsford Community Services Society

Mission, Chilliwack and Hope areas (January 2012 – March 2013) **\$93,750**

Fort St. John Women's Resource Society

(January 2012 – March 2013) **\$93,750**

Kamloops and District Elizabeth Fry Society

(January 2012 – March 2013) **\$93,750**

Maple Ridge/Pitt Meadows Community Services

(January 2012 – March 2013) **\$93,750**



Wally Samuel, Sr., board member, Port Alberni Friendship Center; Sandra Dick, governor, Law Foundation; Cyndi Stevens, executive director and Janice Amos, advocate, Port Alberni Friendship Centre

Nanaimo Citizen Advocacy Association (January 2012 – March 2013)	\$93,750
Newton Advocacy Group Society Surrey area (January 2012 – March 2013)	\$93,750
Nicola Valley Community Justice Services Society (January 2012 – March 2013)	\$93,750
North Shore Community Resources Society (January 2012 – March 2013)	\$93,750
Penticton and Area Women's Centre (January 2012 – March 2013)	\$93,750
Quesnel Tillicum Society (January 2012 – March 2013)	\$87,500
South Peace Community Resource Society Dawson Creek area (January 2012 – March 2013)	\$81,250
Dze L K'ant Friendship Centre Society Smithers area	\$75,000
Haida Gwaii Legal Project Society	\$75,000
Powell River Community Services Association	\$75,000

Upper Skeena Counselling & Legal Assistance Society Hazelton area (January 2012 – March 2013)	\$68,750
Social Health and Economic Development Society Bella Coola region (September 2011 – March 2013)	\$66,500
Prince Rupert Unemployed Centre Society	\$35,000

Specialized Advocacy Services

The following advocacy programs provide services in specific areas of law or to particular constituencies.

Community Legal Assistance Society Three lawyers to work on poverty law issues	\$395,500
University of Victoria, Faculty of Law, Law Centre Clinical Program A clinical program for law students providing legal services to low-income people in the Greater Victoria area	\$359,800



Jane Harper, executive director, South Peace Community Resource Society; Samantha Hulme, governor, Law Foundation; Matthew Bains, board member and Amanda Stevenson, advocate, South Peace Community Resource Society

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

Kettle Friendship Society
A mental health advocacy program providing legal information and assistance on residential tenancy and child protection matters in the Lower Mainland (July 2011 – March 2013) **\$262,500**

BC Coalition of People with Disabilities
A specialized advocacy, legal education and referral program for people with disabilities (January 2012 – March 2013) **\$218,760**

Abbotsford Community Services Society/ Progressive Intercultural Community Services Society
Advocacy for seasonal farm workers in the Fraser Valley and Lower Mainland (July 2011 – March 2013) **\$190,750**

West Coast Domestic Workers' Association
A specialized advocacy service for live-in caregivers **\$184,650**

BC Families in Transition
Legal information and assistance on family law issues to south Vancouver Island (April 2011 – March 2013) **\$182,400**

MOSAIC
Legal information and assistance to low-income immigrants and refugees in the Lower Mainland (April 2011 – March 2013) **\$175,340**

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' program operating clinics in the Greater Vancouver area **\$166,920**

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

South Fraser Women's Services Society
Family law information and assistance for women in the Surrey/White Rock area (July 2011 – December 2012) **\$112,500**

Atira Women's Resource Society
Legal help in poverty, child protection, family and criminal law for women in Vancouver's Downtown Eastside (January 2012 – March 2013) **\$93,750**

CHIMO
Poverty law advocacy services provided by volunteers (January 2012 – March 2013) **\$93,750**

BC Centre for Elder Advocacy and Support
Legal information and assistance for older adults in BC (July 2011 – March 2012) **\$84,375**

MPA — Motivation, Power and Achievement Society
Courtworkers to assist people with mental illnesses in the criminal justice system (October 2011 – March 2013) **\$84,375**

Battered Women's Support Services
Legal information and assistance for women in the Lower Mainland who have experienced abuse **\$69,600**



Three of the lawyers attending the Supervising Lawyers' Conference in April 2011. *Chris Maddock, QC, supervising lawyer, Abbotsford Community Services Society; Linda Locke, QC, supervising lawyer, Upper Skeena Counselling and Legal Assistance Society; Beverly Slater, supervising lawyer, Terrace and District Community Services*

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 on public interest in environmental law **\$575,000**

BC Civil Liberties Association
Test case litigation, legal education and law reform to protect the civil liberties and human rights of British Columbians **\$548,800**



Leigha Worth, executive director, BC Public Interest Advocacy Centre

BC Public Interest Advocacy Centre
Representation of the public interest in regulatory matters and systemic advocacy on behalf of disadvantaged people **\$535,480**

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

Other Legal Aid

Multiple Sclerosis Society, BC Division
Legal information, advocacy and representation for people with multiple sclerosis **\$50,000**

Salvation Army Belkin House
Advice and some representation services provided to low-income people by volunteer lawyers **\$50,000**

Public Service Ads
Ads in yellow page directories about legal aid services, free legal information and how to find a lawyer **\$35,000**

Pro Bono Students Canada, UBC
Placement of volunteer law students with public interest organizations **\$25,000**

Pro Bono Students Canada, University of Victoria
Placement of volunteer law students with public interest organizations **\$19,000**

LAW REFORM

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

BC Freedom of Information and Privacy Association
Law reform and public legal education about freedom of information and privacy legislation **\$70,000**

LAW LIBRARIES

BC Courthouse Library Society (Courthouse Libraries BC)
Services that give lawyers and the public in BC access to legal information, as well as training and support in finding and using legal information **\$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 **\$71,500**

In the Spotlight

Law Foundation Work with BC Law Schools

This year, several Law Foundation-supported developments at BC law schools have come to fruition.

The University of British Columbia opened a new law school building in September 2011. The foundation contributed \$12 million in matching grants to the approximately \$56-million-dollar project. The new facility includes a mix of classrooms and large lecture halls, along with a new state-of-the-art law library. Thanks to the Law Foundation's contribution, the BC Law Institute, Law Students' Legal Advice Program, Pro Bono Students Canada, and the International Centre for Criminal Law Reform all have rent-free space in the new building.

The University of Victoria was granted \$6 million to support renovations to the law school. Modifications to the law library, built in 1980, were designed to augment research capabilities and respond to the changing technological needs of today's students. The renovations also created new office space and teaching areas for the school's clinical and graduate programs, and included changes to the main lecture hall that incorporated modern technology and made it easily accessible to students with disabilities.

Thompson Rivers University (TRU) in Kamloops opened its new law school in September 2011 — the first new law school in Canada in over 30 years, with a first-year class of 75 students.



The Right Honourable Beverley McLachlin, PC, Chief Justice of Canada; Margaret Sasges, chair, Law Foundation; Mr. Stephen Toope, president and vice-chancellor, UBC, at the opening of the new UBC law school

The foundation funded initial research into the development of the law library and the faculty's first entrance scholarships, as well as providing project money for student groups. TRU plans to establish the model for the twenty-first century faculty of law — primarily through the use of technology. All students and faculty are connected by an intranet, exams will be delivered to and written on laptops, and the library is primarily electronic.

PovNet

PovNet is an online resource for front-line community and settlement workers throughout British Columbia. PovNetters share information, resources, referrals and strategies about casework. The website and Twitter and Facebook feeds provide the general public with up-to-date information about anti-poverty issues.



Penny Goldsmith, executive coordinator, PovNet

Since PovNet opened its virtual doors in 1997, advocates and community workers have increasingly become more proficient at using e-mail lists and the website, and taking online courses on PovNetU, mainly

because they have found they need PovNet to do their work and now identify it as a crucial resource.

PovNet's community of users is varied. One person might get information to teach a class from the website, while another might use the Events Calendar to find details of an anti-poverty workshop at a local friendship centre or go to our Job Postings to see what's available. Many people look for local legal help using the "Find an Advocate" maps.

Both urban and rural community workers participate in the e-mail lists, take online courses and use the website. But the options for face-to-face interaction are more complicated when you don't live in an urban centre, and here is where PovNet's online networking tools become crucial.

PovNet, in short, is a communications commons. PovNetters are using technology for their own purposes, to bring information to their communities. Their use of that information becomes a powerful tool for furthering access to justice in British Columbia.

Projects

LEGAL EDUCATION

Professional Legal Education

University of British Columbia, Faculty of Law

Law Foundation Awards for students in UBC's JD program who show financial need and academic merit **\$100,000**

Law Foundation

An advocacy training course on core skills and knowledge for legal advocates **\$89,140**

Thompson Rivers University, Faculty of Law

Entrance scholarships **\$58,000**
Block grant for research and education projects (August 2011 – July 2013) **\$55,000**



Anne Pappas, founding assistant dean, Thompson Rivers University (TRU); Justice David Masuhara, governor, Law Foundation; Chris Axworthy, QC, founding dean of law, TRU

Fraser Region Community Justice Initiatives Association

A video about the legal obligations and healing opportunities available through Aboriginal restorative justice **\$50,000**

University of Victoria, Faculty of Law

Law Foundation Awards for students in the JD program at University of Victoria who show financial need and academic merit **\$50,000**

Law Society of BC

A mentoring initiative to enhance the retention of Aboriginal lawyers **\$32,000**

Lawyers Rights Watch Canada

A project to educate lawyers and the public about the applicability of international human rights law in BC **\$12,000**

Public Legal Education

People's Law School Society

Production of a variety of public legal education and information resources for seniors in BC **\$75,000**

Salsbury Community Society (Kinbrace)

Educational materials and workshops about changes to refugee law and procedures at hearings **\$75,000**

Alzheimer Society of BC

Production of materials about "decision-making and the law," dementia and personhood **\$50,000**

BC Civil Liberties Association

A handbook about how Canadians can safeguard personal electronic devices when crossing the Canada/US border **\$15,000**

Centre for Global Studies, University of Victoria

A study guide and website for high school students about Canadians' obligations to implement international law **\$15,000**

DOXA Documentary Film Festival

A Justice Forum focussing on legal and human rights issues **\$15,000**

Kindale Development Association

Legal education for families and friends of people with developmental disabilities **\$15,000**

Social Health and Economic Development Society

A series of workshops in the Bella Coola region about legal issues **\$15,000**

Vancouver Community College Foundation

Development of online materials about the law for court interpreters **\$5,000**

LEGAL RESEARCH

Environmental Law Centre, University of Victoria

Research into BC's experience with professional reliance in environmental regulations, best practices and possible law and policy reforms **\$65,000**

West Coast Environmental Law Association

To design model, integrated effective federal and provincial environmental assessments **\$50,000**

Foundation for Legal Research

Research on legal aid and other programs that enhance the quality of and access to justice in BC **\$30,000**

BC Law Institute

An analysis of the family status ground and its development in human rights cases in Canada and BC **\$15,000**

LEGAL AID

Legal Services Society

A project to fund training on Gladue report writing **\$60,000**

Community-Based Advocacy

BC Centre for Elder Advocacy and Support

Assistance and representation on elder law issues (July 2011 – March 2013) **\$525,000**

First United Church Mission

Legal information and assistance for low-income people in Vancouver's Downtown Eastside (August 2011 – December 2012) **\$247,920**

Vernon Women's Transition House Society

Legal information and assistance for low-income people in the North Okanagan area (January 2012 – March 2013) **\$93,750**

BC Coalition of People with Disabilities

Advocacy on CPP disability issues (January 2012 – March 2013) **\$93,750**

MPA — Motivation, Power and Achievement Society

Courtworkers to help people with mental illnesses navigate the criminal justice system **\$84,375**

Terrace and District Community Services Society

An advocacy project on poverty law issues in the Terrace area **\$75,000**

Watari Research Association

A systems negotiator at Vancouver's Downtown Community Court supporting repeat offenders with mental disorders
\$75,000

Access Pro Bono Society of BC

Pro bono legal assistance for people with disabilities or in rural areas without access to in-person services
\$32,000

Public Interest Law

Ecojustice Canada Society

Test case litigation on public interest environmental law issues
(July 2011 – October 2012) **\$266,670**



Jennifer Agnolin, staff lawyer, Ecojustice Canada Society; Chris Toleffson, executive director, Environmental Law Centre; Andrew Gage, acting executive director, West Coast Environmental Law Association

Other Legal Aid

West Coast Prison Justice Society

A project to address the most significant and systemic human rights issues faced by prisoners in BC
\$75,000



Panel of funders at the Executive Directors' Roundtable held in April 2011. Daphne Morrison, program director, Law Foundation; Wayne Braid, executive officer, Notary Foundation of BC; Andria Teather, vice-president, Grants and Community Initiatives, Vancouver Foundation

Mediate BC

Implementation of a mediation model to help families resolve disputes about the eligibility of adult children for support and special expenses
\$65,700

Takla Lake First Nation

An alternative justice process for Band members who come into contact with the criminal justice system
\$15,000

Victoria Restorative Justice Society

Training volunteers to provide restorative justice services to handle more complex sentencing cases referred by Crown
\$13,500

LAW REFORM

First Call: BC Child and Youth Advocacy Coalition

A project to improve labour standards for children in BC
\$65,000

BC Law Institute

Research on the concept of mental capacity and different tests now in case law
\$55,000

CHILD WELFARE GRANTS

Nenen Dane zaa Deh Zona Children and Family Services

A program to foster traditional decision making and dispute resolution in child protection matters
\$75,000

Law Foundation

Research on options for children's legal services in BC
\$25,000

LEGAL SERVICES SOCIETY/LAW FOUNDATION RESEARCH FUND

Legal Services Society

Evaluation of LSS family law services
\$100,000

University of Windsor

An empirical study to identify the needs of self-represented litigants
\$36,000

Focus Consultants

Evaluation of child protection mediation
\$35,000

MISCELLANEOUS GRANTS

Support for organizations to address the following emergent needs recognized throughout the year: Abbotsford Community Services Society, start-up costs for advocacy office; ADR Institute of Canada Inc., national annual conference; BC Centre for Elder Advocacy and Support, office move; BC Civil Liberties Association, national civil liberties conference; Ecojustice Canada Society, replacement of a computer server; Greater Vancouver Law Students' Legal Advice Society, file management system; Penticton and Area Women's Centre, upgrade telephone system; People's Law School Society, organizational review and national not-for-profit summit; PovNet Society, upgrade of technology; Social Health and Economic Development, computer costs for outreach; West Coast Environmental Law Association, replacement of organization database

Total Miscellaneous Grants \$139,327

Financial Statements 2011

Independent Auditor's Report

December 31, 2011



To the Governors
The Law Foundation of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of The Law Foundation of British Columbia, which comprise the statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the statements of changes in net assets, operations and cash flows for the years ended December 31, 2011 and December 31, 2010 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Law Foundation of British Columbia as at December 31, 2011, December 31, 2010 and January 1, 2010 and the results of its operations and its cash flows for the years ended December 31, 2011 and December 31, 2010 in accordance with Canadian accounting standards for not-for-profit organizations.

Tompkins, Wozny, Miller & Co.

Chartered Accountants

Vancouver, Canada March 31, 2012

TOMPKINS, WOZNY, MILLER & CO.
Chartered Accountants

Statement of Financial Position

The Law Foundation of British Columbia

As at

	DECEMBER 31, 2011 \$	DECEMBER 31, 2010 \$	JANUARY 1, 2010 \$
		[note 14]	[note 14]
ASSETS			
Cash	208,399	3,829	804,911
Investments [note 4]	57,322,726	70,404,275	87,925,210
Prepaid expenses and other	72,048	76,696	65,662
Property and equipment [note 5]	49,576	64,209	96,021
	57,652,749	70,549,009	88,891,804
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	216,205	200,676	124,239
Due to government entities	9,639	11,516	12,222
Child Welfare Fund [note 6]	20,000	252,878	252,643
Legal Services Society/ Law Foundation Research Fund [note 7]	2,285,991	2,368,015	2,170,500
Grants payable [note 8]			
— within one year	17,764,410	24,580,669	32,007,516
— long term	2,274,529	3,121,582	12,954,566
Total liabilities	22,570,774	30,535,336	47,521,686
Net assets			
Equity in property and equipment	49,576	64,209	96,021
Grant stabilization fund [note 9]	35,032,399	39,949,464	41,274,097
Total net assets	35,081,975	40,013,673	41,370,118
	57,652,749	70,549,009	88,891,804

Commitment [note 13]

See accompanying notes to the financial statements

Approved by:



Governor



Governor

Statement of Changes in Net Assets

Years ended December 31

	EQUITY IN PROPERTY AND EQUIPMENT \$	GRANT STABILIZATION FUND \$	NET ASSETS \$
2011			
Balance, beginning of year	64,209	39,949,464	40,013,673
Decrease in net assets for the year	(32,902)	(4,898,796)	(4,931,698)
Acquisition of property and equipment	18,269	(18,269)	—
	49,576	35,032,399	35,081,975
2010			
Balance, beginning of year	96,021	41,274,097	41,370,118
Decrease in net assets for the year	(35,915)	(1,320,530)	(1,356,445)
Acquisition of property and equipment	4,103	(4,103)	—
	64,209	39,949,464	40,013,673

See accompanying notes to the financial statements

Statement of Operations

Years ended December 31

	2011 \$	2010 \$
INCOME		
Interest received on lawyers' trust accounts	13,336,105	6,966,801
Investment income (net) [note 10]	2,784,582	7,204,851
Unclaimed trust funds and other income [note 11]	407,238	260,638
	16,527,925	14,432,290
Child Welfare Fund [note 6]	48,559	(235)
	16,576,484	14,432,055
EXPENSES		
Audit and annual report	57,756	53,791
Consulting and legal	57,661	48,882
Meetings and travel	217,403	152,383
Office and other	122,556	91,982
Rent and occupancy costs	181,477	167,599
Salaries and employee benefits	1,096,141	1,053,876
Amortization of property and equipment	32,902	35,915
Total expenses	1,765,896	1,604,428
Child Welfare Fund [note 6]	48,559	(235)
	1,814,455	1,604,193
Net income before grants approved	14,762,029	12,827,862
Program and project grants approved [note 12]	20,797,532	17,462,854
Less program and project grants refunded or unused	1,103,805	3,278,547
	19,693,727	14,184,307
Decrease in net assets for the year	(4,931,698)	(1,356,445)

See accompanying notes to the financial statements

Statement of Cash Flows

Years ended December 31

	2011 \$	2010 \$
OPERATING ACTIVITIES		
Interest received on lawyers' trust accounts	13,336,105	6,966,801
Investment income realized (net)	3,174,982	3,536,116
Unclaimed trust funds and other income received	407,238	260,638
Expenses paid	(1,714,695)	(1,503,816)
Child Welfare Fund		
Direct costs	(27,132)	(40,241)
Grants paid (net)	(39,281)	(186,101)
Program and project grants paid (net)	(27,679,503)	(31,217,561)
Cash used in operating activities	(12,542,286)	(22,184,164)
Research fund activities (net)	73,976	197,515
	(12,468,310)	(21,986,649)
INVESTING ACTIVITIES		
Property and equipment purchased	(18,270)	(4,103)
Sale of investments (net)	12,691,150	21,189,670
Cash provided by investing activities	12,672,880	21,185,567
Increase (decrease) in cash for the year	204,570	(801,082)
Cash, beginning of year	3,829	804,911
Cash, end of year	208,399	3,829

See accompanying notes to the financial statements

Notes to Financial Statements

The Law Foundation of British Columbia

Years ended December 31

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, and related investment and other income, to provide legal aid, legal research, law reform, legal education and law libraries for the benefit of the general public of British Columbia. The foundation also periodically administers other funds and programs.

2. SIGNIFICANT ACCOUNTING POLICIES AND ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, as set forth in Section III of the *Canadian Institute of Chartered Accountants Handbook — Accounting*. The new standards have been applied retrospectively.

These financial statements are the first financial statements prepared in accordance with Canadian accounting standards for not-for-profit organizations. Management has elected to designate all investments to be measured at fair value, which is consistent with the accounting policy in place at the time of transition, being January 1, 2010.

Except for the additional disclosure of amounts owed to government entities, as shown on the statement of financial position, the adoption of the new accounting standards has had no impact on the previously reported assets, liabilities and net assets of the foundation and accordingly there has been no restatement of previously reported amounts at the transition date.

These financial statements reflect the following significant accounting policies:

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 that may be payable over several years. Grants are reflected as an expense that reduces the grant stabilization fund as they are approved by the foundation's board of governors. Grants that are not yet paid are reflected as grants payable.

All approved grants contain restrictions on the use of the funds that may result in a portion of the grants payable being withheld, or grants that have been disbursed may be refunded. Grants payable are reversed when the foundation becomes aware that the funds are no longer required or when grant conditions have not been met. Grants refunded to the foundation are reported on a cash basis.

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.

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, in accordance with the deferral method of accounting. Grants not yet paid are grouped with the foundation's grants payable.

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

As the foundation administers, but does not exclusively control the expenditures from the research fund, direct expenditures and grants approved are treated as a reduction of the fund. Grants not yet paid are grouped with the foundation's grants payable. Interest is added annually to the fund.

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 Section 3856 of Part II 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 values 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 are subject to market and credit risk, bank deposits are subject to credit risk and yields are subject to changes in prevailing interest rates. The foundation's exposure to currency risk is indicated by its ownership of international bonds and debentures, 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

	DECEMBER 31, 2011 MARKET VALUE \$	DECEMBER 31, 2010 MARKET VALUE \$	JANUARY 1, 2010 MARKET VALUE \$
2011			
CC&L Canadian Q-Core Fund — 1,273,043 units	11,172,351	14,411,129	19,158,280
CC&L Bond Fund — 4,249,535 units	46,150,375	55,993,146	68,766,930
	57,322,726	70,404,275	87,925,210

The foundation owns less than 1% [December 31, 2010 — 1.413%, January 1, 2010 — 2.76%] of the units of the CC&L Canadian Q-Core Fund and 4.134% [December 31, 2010 — 5.276%, January 1, 2010 — 6.536%] 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 98.4% [December 31, 2010 — 90.2%, January 1, 2010 — 90.6%] of its portfolio and international bonds, debentures and other foreign content that make up approximately 1.6% [December 31, 2010 — 9.2%, January 1, 2010 — 9.4%] of its portfolio.

At December 31, 2011, the average yield of the CC&L Bond Fund investments was 3.74% [December 31, 2010 — 2.85%, January 1, 2010 — 3.59%].

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 \$
DECEMBER 31, 2011			
Leasehold improvements	123,027	99,076	23,951
Furniture and equipment	57,188	48,063	9,125
Computers and accessories	31,107	14,607	16,500
	211,322	161,746	49,576
DECEMBER 31, 2010			
Leasehold improvements	123,027	81,273	41,754
Furniture and equipment	65,948	50,711	15,237
Computers and accessories	23,949	16,731	7,218
	212,924	148,715	64,209
JANUARY 1, 2010			
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

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. Those grants have now been spent.

In 2008, the foundation granted \$350,000 to the Child Welfare Fund, of which \$184,319 was returned to the foundation in 2011.

In 2009, a \$50,000 grant was received from the BC Representative for Children and Youth for the purpose of child welfare evaluation and research, of which \$20,000 was unspent at the end of the year.

The fund comprises:

	DECEMBER 31, 2011 \$	DECEMBER 31, 2010 \$	JANUARY 1, 2010 \$
Child Welfare Fund, beginning of year	252,878	252,643	222,880
Grant received	—	—	50,000
Foundation grant returned	(184,319)	—	—
	68,559	252,643	272,880
Direct expenses paid	(27,132)	(40,241)	(58,604)
Grants – approved	(100,000)	—	(16,700)
– returned to the fund	78,573	40,476	55,067
	(48,559)	235	(20,237)
Child Welfare Fund, end of year	20,000	252,878	252,643

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 administered by the foundation, and distribution of the funds is 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 added to the research fund.

	DECEMBER 31, 2011 \$	DECEMBER 31, 2010 \$	JANUARY 1, 2010 \$
Research fund, beginning of year	2,368,015	2,170,500	2,000,000
Direct expenses	(12,764)	—	—
Grants approved	(171,000)	—	—
Investment income allocated [note 10]	101,740	197,515	170,500
	2,285,991	2,368,015	2,170,500

8. GRANTS PAYABLE

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

	DECEMBER 31, 2011 \$	DECEMBER 31, 2010 \$	JANUARY 1, 2010 \$
2010	—	—	32,007,516
2011	—	24,580,669	9,903,026
2012	17,764,410	2,817,832	2,201,540
2013	2,142,029	178,750	725,000
2014	54,500	47,000	125,000
2015	78,000	78,000	—
	20,038,939	27,702,251	44,962,082
Less portion payable within one year	(17,764,410)	(24,580,669)	32,007,516
	2,274,529	3,121,582	12,954,566

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 stabilization fund that declines in years in which the foundation's net income before grants approved is less than the grants approved, and increases when net income before grants approved is greater than the grants approved.

10. INVESTMENT INCOME (NET)

Investment income (net) comprises:

	2011 \$	2010 \$
Interest and dividends earned	3,427,326	3,914,694
(Write-down) write-up of investments to market value	(606,844)	4,381,268
Gain (loss) on sale of investments	216,445	(712,532)
Investment advisory fees	(150,605)	(181,064)
	2,886,322	7,402,366
Less investment income allocated to the research fund [note 7]	(101,740)	(197,515)
	2,784,582	7,204,851

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 2011 was \$253,988 [2010 — \$122,979].

Other Income

In 2007, the Law Society of British Columbia Pro Bono Funding Task Force (the 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 2011 was \$152,650 [2010 — \$137,660].

12. PROGRAM AND PROJECT GRANTS APPROVED

	2011 \$	2010 \$
Major continuing program and project grants were made to:		
Legal Services Society of BC	3,759,750	3,614,750
BC Courthouse Library Society	2,737,750	2,753,750
University of Victoria, Faculty of Law	667,000	525,900
University of BC, Faculty of Law	595,786	418,893
Other continuing program grants	9,229,446	8,717,915
Alignment of grants with fiscal years of grantees	1,939,996	—
Other project grants	1,867,804	1,431,646
	20,797,532	17,462,854

There were no project grants awarded in 2011 that were conditional upon the receipt of matching funds by the grantees. At December 31, 2011, aggregate grants totalling \$414,025 [December 31, 2010 — \$2,617,337] were conditional upon the receipt of matching funds.

In 2011, the foundation completed work to align the foundation's program grants with the fiscal years of several organizations, resulting in a one-time net increase in approved grants of \$1,939,996, and an anticipated net decrease in approved grants of just over \$1,000,000 in 2012.

13. COMMITMENT

a) Premises Lease

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

	BASIC RENT COMMITMENT \$
2012	77,088
2013 (4 months)	31,988
	109,076

14. COMPARATIVE FIGURES

Certain of the comparative figures at December 31, 2010 and January 1, 2010 have been reclassified to reflect the presentation adopted in 2011. The comparative figures at January 1, 2010 represent the foundation's assets, liabilities and net assets at the date of transition to accounting standards for not-for-profit organizations.



**The Law Foundation
of British Columbia**

Suite 1340
605 Robson Street
Vancouver, BC V6B 5J3
Tel: 604-688-2337
Fax: 604-688-4586

E-mail: info@lawfoundationbc.org
www.lawfoundationbc.org

**Board of Governors
As of July 1, 2011**

From left to right:

Judge Dennis Schmidt

*Fellowships and Research Committee
Policy and Planning Committee*

Robert Groves

*Finance and Administration Committee
New Grants Committee
New Initiatives Liaison*

Patricia Schmit, QC

*Fellowships and Research Committee (Chair)
Policy and Planning Committee*

Eugene Raponi, QC

*New Grants Committee
Policy and Planning Committee*

Tamara Hunter

*Finance and Administration Committee
New Grants Committee*

Warren Milman

*Fellowships and Research Committee
Policy and Planning Committee*

Jerry McHale, QC

(replaced by Jay Chalke, QC, in August 2011)

Bruce Strachan

*Policy and Planning Committee
Special Needs Fund Committee
Child Welfare Liaison*

Margaret Sasges

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

Samantha Hulme

*New Grants Committee
Policy and Planning Committee (Chair)*

Sandra Dick

*New Grants Committee
Policy and Planning Committee*

Frank Scordo

*Fellowships and Research Committee
Policy and Planning Committee*

Justice David Masuhara

*Finance and Administration Committee
Special Needs Fund Committee*

Patrick Kelly

*Fellowships and Research Committee
New Grants Committee*

Doug McCallum

*Finance and Administration Committee
New Grants Committee (Chair)*

Ron Toews, QC

*Finance and Administration Committee
New Grants Committee*

Anna Fung, QC

*Finance and Administration Committee
(Chair)
New Grants Committee*

Kelle Maag, QC

*Finance and Administration Committee
Special Needs Fund Committee (Chair)*

**Additional committee members
(not in photo):**

John Dustan

Finance and Administration Committee



**Law Foundation Staff
As of December 1, 2011**

Front row, left to right:

*Amy Tam, Program Assistant
Jo-Anne Kaulius, Finance Director
Sandra Morgenstern, Program Assistant
Janna Cumming, Program Director*

Back row, left to right:

*Linda Mix, Program Director
Michael Seaborn, Program Director
Leona Stewart, Executive Assistant
Wayne Robertson, QC, Executive Director
Lois Shelton, Legal Advocate Training Manager
Veenu Saini, Program Director
karima budhwani, Program Director*

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Michael Seaborn, Lois Shelton

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and Ben D'Andrea, All About Writing

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