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).
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.

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.

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
- New Grants
- Policy and Planning
- Finance and Administration
- 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.

**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:
     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.
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.

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

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

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
Total $18,476,012

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

Total child welfare grants: $55,000

Total Child Welfare Grants: $55,000

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), 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

**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

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

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

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Lay advocacy, legal information and referral services for people with disabilities $153,590

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

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

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

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

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

LAW REFORM

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

**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

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**LAW FOUNDAION HISTORY**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
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<tbody>
<tr>
<td>1964</td>
<td>The House of Lords decides, in <em>Brown v. Inland Revenue Commissioners</em>, that interest on clients’ money held in lawyers’ pooled trust accounts does not belong to lawyers</td>
</tr>
<tr>
<td>1967</td>
<td>Law Foundation of New South Wales created to receive the interest on lawyers’ trust accounts and use it to develop a fair justice system</td>
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<tr>
<td>1968</td>
<td>Charles Brazier, QC, of Davis and Company visits Australia and hears about the Law Foundation</td>
</tr>
<tr>
<td>1969</td>
<td>Kenneth Meredith and Arthur Harper, QC, on hearing about the idea from Mr. Brazier, spearhead the movement to create a law foundation in BC</td>
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<tr>
<td>April 1, 1969</td>
<td>Law Foundation of British Columbia created by amendments to the Legal Professions Act; Arthur Harper, QC, is the first chair</td>
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<tr>
<td>1970</td>
<td>Law Foundation of BC has $50,000 income and gives out a $5,000 grant</td>
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<td>1973–1986</td>
<td>Law foundations created in all Canadian jurisdictions</td>
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<tr>
<td>1981</td>
<td>Florida Bar Foundation is established, the first interest on lawyers’ trust accounts (IOLTA) program in the United States</td>
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<tr>
<td>1985</td>
<td>National Association of IOLTA Programs is formed, and all US states eventually have one</td>
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<tr>
<td>2003</td>
<td>Constitutionality of IOLTA programs is affirmed by the US Supreme Court in <em>Brown v. Legal Foundation of Washington</em></td>
</tr>
<tr>
<td>2009</td>
<td>Up to 2009, the Law Foundation of BC has given out more than $420 million in grants to promote access to justice in BC</td>
</tr>
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Vincent Gogolek, director, policy and communications, BC Freedom of Information and Privacy Association

Sholto Hebenton, QC

Madam Justice Victoria Gray, Sholto Hebenton, QC

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

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

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.

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

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

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

(1990 – 1991) Alec Robertson, QC
(1992 – 1993) Mr. Justice Bowden
(2000 – 2001) Mr. Justice David Brine
(2001) Madam Justice Victoria Gray
(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
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
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, landowners, 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

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**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

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**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

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

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**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

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

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.

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

Chartered Accountants
Vancouver, Canada
March 3, 2010
## Statement of Financial Position

The Law Foundation of British Columbia  
As at December 31

<table>
<thead>
<tr>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>804,911</td>
</tr>
<tr>
<td>Investments [note 4]</td>
<td>87,925,210</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>65,662</td>
</tr>
<tr>
<td>Property and equipment [note 5]</td>
<td>96,021</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>88,891,804</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND NET ASSETS** |            |            |
| Liabilities |            |            |
| 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 |
| **Total liabilities** | 47,521,686 | 58,433,169 |

| **Net assets** |            |            |
| Equity in property and equipment | 96,021 | 116,954 |
| Grant stabilization reserve [note 9] | 41,274,097 | 41,497,897 |
| **Total net assets** | 41,370,118 | 41,614,851 |

Commitments [note 13]  
See accompanying notes  
Approved by:  
[Signatures]

## Statement of Changes in Net Assets

**Years ended December 31**

| 2009       |            |            |
| EQUITY IN PROPERTY AND EQUIPMENT | 116,954 | 41,497,897 | 41,614,851 |
| GRANT STABILIZATION RESERVE | (39,180) | (205,553) | (244,733) |
| NET ASSETS | 96,021 | 41,274,097 | 41,370,118 |

2008  
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) | — |

| 2008       |            |            |
| EQUITY IN PROPERTY AND EQUIPMENT | 116,954 | 41,497,897 | 41,614,851 |
| GRANT STABILIZATION RESERVE | — | — | — |
| NET ASSETS | 116,954 | 41,497,897 | 41,614,851 |

See accompanying notes
### Statement of Income and Expenses

**Years ended December 31**

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

### Statement of Cash Flows

**Years ended December 31**

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

<table>
<thead>
<tr>
<th>2009</th>
<th>COST $</th>
<th>MARKET VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC&amp;L Canadian Q-Core Fund — 2,229,028 units</td>
<td>23,041,845</td>
<td>19,158,280</td>
</tr>
<tr>
<td>CC&amp;L Bond Fund — 6,545,865 units</td>
<td>69,657,340</td>
<td>68,766,930</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>92,699,185</strong></td>
<td><strong>87,925,210</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2008</th>
<th>COST $</th>
<th>MARKET VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC&amp;L Canadian Q-Core Fund — 2,169,643 units</td>
<td>22,717,264</td>
<td>14,267,578</td>
</tr>
<tr>
<td>CC&amp;L Bond Fund — 8,544,960 units</td>
<td>91,066,847</td>
<td>85,213,756</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>113,784,111</strong></td>
<td><strong>99,481,334</strong></td>
</tr>
</tbody>
</table>

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**

<table>
<thead>
<tr>
<th>2009</th>
<th>COST $</th>
<th>ACCUMULATED AMORTIZATION $</th>
<th>NET BOOK VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>123,027</td>
<td>63,471</td>
<td>59,556</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>82,381</td>
<td>54,832</td>
<td>27,549</td>
</tr>
<tr>
<td>Computers and accessories</td>
<td>32,758</td>
<td>23,842</td>
<td>8,916</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>238,166</strong></td>
<td><strong>142,145</strong></td>
<td><strong>96,021</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2008</th>
<th>COST $</th>
<th>ACCUMULATED AMORTIZATION $</th>
<th>NET BOOK VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>161,429</td>
<td>84,071</td>
<td>77,358</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>98,594</td>
<td>69,722</td>
<td>28,872</td>
</tr>
<tr>
<td>Computers and accessories</td>
<td>34,749</td>
<td>24,025</td>
<td>10,724</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>294,772</strong></td>
<td><strong>177,818</strong></td>
<td><strong>116,954</strong></td>
</tr>
</tbody>
</table>
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:

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

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.

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:

<table>
<thead>
<tr>
<th></th>
<th>2009 $</th>
<th>2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>—</td>
<td>38,598,856</td>
</tr>
<tr>
<td>2010</td>
<td>32,007,516</td>
<td>11,036,282</td>
</tr>
<tr>
<td>2011</td>
<td>9,903,026</td>
<td>5,733,923</td>
</tr>
<tr>
<td>2012</td>
<td>2,201,540</td>
<td>365,783</td>
</tr>
<tr>
<td>2013</td>
<td>725,000</td>
<td>294,797</td>
</tr>
<tr>
<td>2014 – 2015</td>
<td>125,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>44,962,082</td>
<td>56,029,641</td>
</tr>
</tbody>
</table>

Less portion payable within one year:  

<table>
<thead>
<tr>
<th></th>
<th>2009 $</th>
<th>2008 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>(32,007,516)</td>
<td>(38,598,856)</td>
</tr>
<tr>
<td></td>
<td>12,954,566</td>
<td>17,430,785</td>
</tr>
</tbody>
</table>

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:

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

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

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

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:

<table>
<thead>
<tr>
<th></th>
<th>ANNUAL RENT PAYMENTS $</th>
<th>TOTAL RENT COMMITMENT $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 – 2012</td>
<td>$77,688</td>
<td>$231,264</td>
</tr>
<tr>
<td>2013 (4 months)</td>
<td>$31,988</td>
<td>$31,988</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$109,676</strong></td>
<td><strong>$263,252</strong></td>
</tr>
</tbody>
</table>

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.