Report from the Chair

It is an honour to be reporting to you at the end of my two-year term as chair of the board of governors of the Law Foundation of BC. These two years have been a period of challenges and opportunities, and I appreciate so much the commitment of all who have been willing to embrace those challenges, both those within the foundation and those we work with outside the foundation, as we strive always to enable access to justice for all British Columbians.

The ongoing low interest rate environment of 2012 continued to affect the foundation’s income. For five years, the foundation has had to draw on its grant stabilization fund to maintain funding for grantees. In 2012, this draw-down was almost $3.4 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 very near future (which appears unlikely), decisions to reduce funding in 2013 are a distinct possibility.

Interest rates are significant because the rate paid to the foundation on lawyers’ pooled trust accounts is pegged to the prime rate. In 2013, the Law Foundation anticipates having to again draw down the grant stabilization fund, perhaps by a further $8 to $10 million. In the meantime, the foundation will likely be unable to fund any new initiatives beyond its current programs. Project funding has been reduced: from $750,000 to $500,000 for large projects, and from $150,000 to $60,000 for small projects.

Fortunately, because of the foresight of previous Law Foundation boards, the fund was built up to a healthy level, which allowed us to continue funding all our continuing programs and maintain project funding through to 2012. However, in light of current projections, at the November 2012 planning session, governors discussed “what the foundation would look like as a grant-making organization with a $12 million annual grants budget rather than its current $19 million.” This was not an easy discussion, but it was a productive one and allowed us to clarify the principles that will guide the board if it proves necessary to make difficult decisions in 2013. The foundation will continue with its funding strategies reviews in a number of its mandate areas, including public legal education, public interest law, professional legal education and legal research. These reviews will consider “whether or not the Law Foundation is funding the right groups to do the right work with the right amount of money.” In the meantime, all continuing program grantees have been told that unless interest rates increase significantly in the very near future, the foundation will have to reduce or possibly eliminate some grants.

The principles discussed that might apply to future decisions about foundation funding include:

- giving a direct benefit to the public;
- providing the maximum benefit to British Columbia;
- minimizing, as much as possible, any lasting harm to grantees; and
- taking into account alternate funding that may be available to grantees.

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, Bank of Nova Scotia and Vancouver City Savings Credit Union. We would also like to thank members of the profession who choose institutions accordingly, as this ensures that the foundation receives the highest possible rates of return.

In 2012, the foundation assessed 213 applications for funding. During the year, the foundation approved over $18.3 million in funding for 75 continuing programs and 62 other grants (13 large, 13 small, 12 on-track and 24 miscellaneous grants). Of this total amount, over $16.3 million was allocated to continuing programs.

Highlights in 2012 included:

- Continuation of the family law working group, which will report back in 2013 with ideas for no-cost ways to address issues and further ideas for when funds become available again in the future.
- Formation of an Aboriginal legal issues committee, which is examining the foundation’s approach to funding programs that meet Aboriginal people’s legal needs.
- The beginning of a discussion about other sources of revenue, including fundraising and class action _cy pres_ awards.
- Collaborating on a settlement workers’ conference (with the Legal Services Society [LSS] and the Immigrant PLEI Consortium) and a poverty law advocates’ conference (also with LSS).
- Most importantly, significant work continued to be done in 2012 by foundation-funded grantees:
  - Over 75,000 people received legal information, advice, summary service or representation from 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.
  - Law Matters, coordinated by Courthouse Libraries BC, made legal resources available in the more than 200 public libraries in the province.
Finally, the Law Foundation’s 96 continuing and on-track programs (which include the various continuing program funds the foundation has) continue their work, as described in this report, including work in areas such as legal information provided by poverty law advocates, clinical programs for law students and the environmental law work done by West Coast Environmental Law.

This past year, Samantha Hulme, the Law Society appointment for the county of Westminster since 2007, ended her term on the board. While on the board, Ms. Hulme was on the Child Welfare, Finance and Administration, New Grants and Policy and Planning Committees (as chair of the latter in 2010 and 2011). Ms. Hulme is Crown counsel currently working with the Criminal Justice Branch on policy development and legislative reform. Governor Hulme provided thoughtful leadership to the foundation during her time on the board, striving to ensure that the context of all issues was appreciated and that the people served were at the centre of the foundation’s decision making.

We also said farewell to Patricia Schmit, QC, the Law Society appointment for the county of Cariboo. Ms. Schmit, partner at the firm of Chudiac Schmit and Co. who has spent her legal career in Quesnel, was appointed Queen’s Counsel in 2001, and is a life Bencher. While on the Law Foundation board, Governor Schmit served on the New Grants, Policy and Planning, and Finance and Administration Committees, and was chair of the Fellowships and Research Committee from 2010 – 2012. Governor Schmit was never afraid of a challenge, and her insightful questions helped the foundation to ensure the best possible service was provided and value for money received.

New to the foundation board as of January 2013 are James Bond, QC, Fred Fatt and Ajeet Kang.

Mr. Bond was appointed to the board by the BC Branch, Canadian Bar Association, where he served as president in 2009 – 2010. Called to the Bar in 1996, he is a partner at McMillan LLP in Vancouver and Calgary. He serves as a member of the firm’s Professional Services and Inclusion and Diversity Committees. Mr. Bond’s practice focuses on intellectual property, corporate and commercial transactions, and privacy and technology law matters. He was appointed Queen’s Counsel in 2010.

Mr. Fatt is from Prince George, and is the Law Society’s appointee for the county of Cariboo. He was called to the Bar in 1981, has a diversified criminal law practice, and has regularly been counsel on circuit courts outside of Prince George. He has also, for a number of years, been the supervising lawyer of the Law Foundation-funded poverty law advocacy program in Prince George.

Ms. Kang is the Law Society appointment for the county of Westminster. She was called to the Bar in 1994, and started her career as a prosecutor. Ms. Kang currently has a multidisciplinary practice with Kang and Co. with an emphasis on criminal, immigration and human rights law. Ms. Kang is very involved in the South Asian community, speaks Punjabi and Hindi, and founded CORSA, a not-for-profit organization that works with South Asian youth at risk.

In closing, I would like to thank our board of governors and the staff of the Law Foundation for their support over the last seven years that I have worked with them; the tremendous work that they do every day and their ongoing commitment to improving access to justice for the people of British Columbia is continually inspiring to me. I appreciated everyone’s commitment as we strove to be wise stewards of the Law Foundation’s funds. The last two years have been a challenging time for the foundation as it has worked to be both fiscally prudent and innovative, while remaining steadfast in its support for access to justice.

Having the privilege of being chair of this incredible organization during these past two years has been a tremendous learning experience for me, and I am truly grateful for the support, encouragement and inspiration that all the governors and staff have unhesitatingly provided. I know that the new chair of the Law Foundation, Tamara Hunter of Davis LLP, will have that same support, and together they will continue to ensure that foundation funds are used in the most effective way possible to advance and promote a just society, governed by the rule of law.

Margaret Sasges
Chair 2012
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 2012, the Law Foundation has approved grants totalling over $478 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
- 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 2012

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 subsection, grants are listed from highest to lowest dollar amounts, rather than alphabetically by name.

Please note: This year, as the foundation completes its work aligning program grants with the fiscal years of several organizations, some programs will not be listed in the Annual Report because their grants were made either before or after 2012. These groups are: Atira Women’s Resource Society, BC Centre for Elder Advocacy and Support Elder Law Clinic, Justice Education Society, Maple Ridge/Pitt Meadows Community Services, North Shore Community Resources Society, Quesnel Tillicum Society, Sources Community Resources Society (formerly Newton Advocacy Group Society), Upper Skeena Counselling & Legal Assistance Society, and Vernon Women’s Transition House Society.

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
Block grant for education and research projects $27,500
Entrance awards for disadvantaged students $27,000

Mediate BC Society
Programs that support mediators and other dispute resolution practitioners $250,000

Law Foundation
An education and training fund for the professional development of Law Foundation-funded advocates (relevant courses and attendance at the annual provincial training conference), and training for new advocates as needed $225,000

University of Victoria, Faculty of Law
Public interest work placements $97,200
Graduate scholarships $60,000
Entrance scholarships $58,000
Block grant for education and research projects $27,500

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

Jennifer Chan: Research on the design of the legal system and access to legal services
Rachel Treloar: Research on possible positive outcomes in high-conflict divorces and how social context affects the view of divorce

Yuchuan Wang: An economic analysis of how BC could create an efficient and sustainable regulatory system under the Water Act

Karen Whonnock: A comparison of the experiences of Aboriginal women in the New Westminster First Nations Court and BC Provincial Court
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

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
People’s Law School Society
Province-wide legal information and education programs $288,640

BC Branch, Canadian Bar Association
The Lawyer Referral Service providing low-cost legal information and assistance; Law Week 2012; and Dial-A-Law, a province-wide telephone service providing free legal information $279,310

PovNet Society
A poverty law e-mail networking tool, databases (www.povnet.org) and online courses for community legal advocates $110,000

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.

University of Victoria, Val Napoleon: Research into Coast Salish civil procedures and the development of training materials $20,000

Peter Edelmann, Lobat Sadrehashemi: An examination and evaluation of the implications of refugee law reform on access to counsel for refugees in BC $19,973

University of Victoria, Gerry Ferguson: Research into corruption in Canada, and developing legal training on relevant laws, legal obligations and practices $12,000

Andrew Pilliar, Anna Lund: Research to gather information about the different types of pro bono work done by lawyers and how each fits into efforts to improve access to justice $10,000

Thompson Rivers University, Ruby Dhand and Robert Diab: Research into constitutional and human rights concerns about access to health care under Canada’s new refugee health care law regime $9,040

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.

Together Against Poverty Society
Greater Victoria area $168,000

Joan McArdy, board president, Together Against Poverty Society (TAPS); Patrick Kelly, governor, Law Foundation; Kelly Newhook, executive director, TAPS

Abbotsford Community Services Society
Abbotsford, Mission, Chilliwack and Hope areas $150,000

Nelson CARES Society
West Kootenay region $143,866

Community Connections Society of Southeast BC
East Kootenay region $89,210

Ki-Low-Na Friendship Society
Central Okanagan region $82,500

Active Support Against Poverty Society
Prince George area $75,000

Contact Women’s Group Society
Williams Lake area $75,000

Dze L’Kant Friendship Centre Society
Smithers area $75,000

Sharon Matthews, QC, president 2011/2012, Canadian Bar Association, BC Branch (CBABC) and Jennifer Chow, executive officer, CBABC, pose with an Access to Justice banner signed by attendees at Law Day 2012

Kelle Maag QC, governor, Law Foundation; Amy Taylor, staff person, Nelson CARES Society
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

**Greater Vancouver Law Students’ Legal Advice Program**
A law students’ legal advice program operating free clinics in the Greater Vancouver area $306,920

**BC Coalition of People with Disabilities**
A specialized advocacy, legal education and referral program for people with disabilities $175,000

**University of British Columbia, Faculty of Law, First Nations Legal Clinic**
A clinical program for law students providing legal services to the Aboriginal community in Vancouver’s Downtown Eastside $167,000

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

**Community Legal Assistance Society**
The Community Advocate Support Line (CASL), a telephone service providing legal advice and support for community advocates $140,000
BC Centre for Elder Advocacy and Support
A legal information and assistance advocacy program for older adults in 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
Advocacy services and legal education for seasonal farm workers in the Fraser Valley and Lower Mainland $109,000

Sources Community Resources Society (formerly known as South Fraser Women’s Services Society)
A family law legal information and assistance advocacy program for women in the Surrey/White Rock area $93,750

BC Families in Transition
An advocacy program providing legal information and assistance on family law issues to south Vancouver Island $91,200

MOSAIC
A legal information and assistance advocacy program for low-income immigrants and refugees in the Lower Mainland $87,670

Battered Women’s Support Services
A legal information and assistance advocacy program for women in the Lower Mainland who have experienced abuse $75,000

Public Interest Law
Community Legal Assistance Society
Test case litigation and law reform on behalf of disadvantaged individuals and groups $594,950

Other Legal Aid
Access Pro Bono Society of BC
Advice and some representation services provided to low-income people by volunteer lawyers $365,000

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

Public Service Ads
Public service ads in yellow page directories, informing the public about legal aid services, free legal information and how to find a lawyer $35,000

Pro Bono Students Canada, University of British Columbia
Placement of volunteer law students with public interest organizations in need of legal assistance $25,000

Salvation Army Belkin House
Advice and some representation services provided to low-income people by volunteer lawyers $25,000

Pro Bono Students Canada, University of Victoria
Placement of volunteer law students with public interest organizations in need of legal assistance $19,000

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

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

Kasari Govender, executive director, West Coast LEAF Association

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
A law reform and public legal education program 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 online (www.bclaws.ca) for free $71,500
Allan Parker, QC

Allan Parker worked to improve access to justice for people in British Columbia throughout his career of over 30 years. From 1979 to 1986, he was a staff lawyer at the Doug Traill Memorial Law Centre in Nanaimo. He next worked as an instructor at the Professional Legal Training Course run by Continuing Legal Education to prepare law students for the bar admission test: he was a respected and caring teacher. From 1994 on, Allan held various positions as a staff lawyer and manager with the Legal Services Society (LSS). For several years, he was manager of LawLINE, where he helped establish the Community Advocate Support Line (CASL). In 2007, Allan became executive director of the Western Canada Society to Access Justice before its merger with Access Pro Bono, and he worked there until 2012.

Allan enjoyed working with advocates. He was on some of the PovNet lists and worked with LSS and PovNet to organize the first Provincial Training Conference in 2002. In later years, Allan continued to be involved with the conferences as a resource person, teaching sessions on debtor/creditor law or advocacy skills such as interviewing. In 2008, Allan was a consultant to the Legal Advocate Training Course for the Law Foundation, working with advocates and Law Foundation staff to develop a two-week curriculum for new poverty law advocates. He did this work with professionalism and tremendous respect for the advocates.

Allan passed away suddenly in June 2012, and will be sadly missed by his family, wife Boni, and daughter Cassandra, as well as hundreds in the justice community.

Plans for New Justice Access Centre Announced

A new Justice Access Centre (JAC) will open in Victoria in the summer of 2013, and students from the University of Victoria Faculty of Law will take part in offering legal assistance to the public at the new JAC. The Faculty of Law’s well-known clinical education program, The Law Centre, will move from its present location into the JAC, which is to be housed in a government building adjacent to the Victoria Courthouse. The Law Centre will have an independent space within the building, but with shared access for the public.

The Law Centre operates year-round as a program of the Faculty of Law. Approximately 42 law students enrol per year, receiving credit towards their degree requirements. The Law Centre provides students with experience-based learning, teaching them practical legal skills while they provide legal advice and representation to low-income individuals in the Greater Victoria area.

The Law Foundation is pleased to support this worthwhile initiative, both through its annual grant supporting The Law Centre program, and through an innovative funding arrangement with the University of Victoria and the Justice Services Branch of the Ministry of Justice that covers the renovation costs of converting the building into a JAC.
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

**Thompson Rivers University, Faculty of Law**
Entrance scholarships $58,000
Block grant for education and research projects $27,500

**University of Victoria, Faculty of Law**
Family law practitioner in residence to teach and mentor students, and to enhance the profile of family law among law students $75,000

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

**Kootenay Boundary Community Services Co-operative**
Three day-long workshops for the non-profit community on legal issues faced by non-profits $21,000

**Canadian Bar Association, BC Branch**
An e-learning module on ethics that is easily accessible to rural lawyers and sole practitioners or lawyers in small firms $15,000

**Canadian Centre for International Justice**
Legal education about international justice issues (e.g., war crimes, crimes against humanity, genocide and torture) for legal and non-legal audiences in BC $15,000

### Public Legal Education

**Legal Services Society**
Revisions to, and creation of, public legal education and information resources to reflect changes made by the Family Law Act $75,000

**Parent Support Services**
Update of Grandparents Raising Grandchildren: A Legal Guide, and legal information seminars for caregivers and frontline workers in BC $60,000

**Environmental Mining Education Foundation**
Dissemination of a mining best practices code for First Nations through workshops, a toolkit and a website $55,000

**Justice Education Society**
A self-help website for those representing themselves in the BC Court of Appeal $53,500

**John Howard Society of BC**
Fact sheets to educate the public about BC laws that affect ex-offenders $36,278

**Canadian Red Cross Society, Lower Mainland Region**
Update of Red Cross First Contact Guide and training for staff, volunteers and interpreters on the new materials and recent refugee law changes $22,300

**Salt Spring Island Community Services Society**
Legal education workshops for audiences on Salt Spring, Pender and Mayne/Galiano Islands $20,000

**Justice Education Society**
Training seminars for teachers in Kelowna, Prince George, Surrey, Vancouver and Victoria on the Law Project (social justice and the law) website $15,000

**Spinal Cord Injury Organization of BC**
Final module in an online resource about applying for and managing home support services (sci-bc-database.ca/wp-content/uploads/CSIL-Executive-Summary.pdf) $15,000

**Supporting Women’s Alternative Network (SWAN Vancouver Society)**
Improved access to legal information for indoor sex workers for SWANzine $15,000

**THS Society of Transition Houses**
Enhanced legal education through technology for rural anti-violence workers $12,000

**West Coast LEAF Association**
Transformative education for advocates and community workers about equality and human rights law $12,000

**BC Law Institute**
Contribution towards costs of the 2012 Canadian and International Conference on Elder Law $10,000


**Downtown Eastside Women’s Centre**
Improved access to legal information for women in the Vancouver Downtown Eastside $10,000

**John Howard Society of the Lower Mainland**
Revisions and updates to A Family’s Guide to Federal Corrections and Planning for Success $10,000

**Parkinson Society British Columbia**
Legal help sheets for people with Parkinson’s Disease (and other progressive disorders) $6,890
LA W  R EFO R M
BC  Law  Institute
Research into issues of technology, remoteness, disability and evidence  $60,000

M ISC ELLA N EO U S G R A N T S
Support for organizations to address the following emergent needs recognized throughout the year:
Access Pro Bono Society of BC
Office relocation and set-up costs
American Bar Association
A meeting about the history of IOLTA (Interest on Lawyers’ Trust Accounts)
Battered Women’s Support Services
BC Families in Transition
Office relocation and set-up costs
BC Public Interest Advocacy Centre
Transition fund
Canadian Bar Association
CBA Canadian Legal Conference sessions “Protection of Workers in Canada” and “Charities and Social Enterprises”
Megan Ellis and Company
Social Justice and the Law Conference costs
Nelson Cares Society
Feasibility study for a West Kootenay Family Law Support Program
Supporting Women’s Alternatives Network (SWAN Vancouver Society)
Production of rights cards for sex workers
Together Against Poverty Society
Upgrades to office computer infrastructure
West Coast LEAF
Upgrades to office computer infrastructure
West Coast LEAF
Summer law intern
Total Miscellaneous Grants  $130,745

LEGAL RESEARCH
Action Committee on Access to Justice
Research into civil and family justice nationwide  $75,000
West Coast Environmental Law Association
Investigating law reform solutions to the issue of managing cumulative effects in BC  $60,000
BC Coalition of People with Disabilities
Research and legal education, on the duty to accommodate, for community providers of emergency response services  $32,210
Foundation for Legal Research
Research on legal aid and other programs that enhance the quality of, and access to, justice in BC  $15,000

LEGAL AID
Community-Based Advocacy
First United Church Mission
A legal information and assistance advocacy project for low-income people in Vancouver’s Downtown Eastside  $175,000
BC Coalition of People with Disabilities
Advocacy on CPP disability issues  $75,000
Vancouver Island North Women’s Resource Society
A legal information and assistance advocacy program for low-income people in the Campbell River area  $75,000
Watari Research Association
A systems negotiator at Vancouver’s Downtown Community Court to support offenders with mental health issues  $75,000

Greater Vancouver Law Students’ Legal Advice Society
Transition costs  $64,300
Wachiay Friendship Centre
A legal information and assistance advocacy program for low-income people in the Courtenay area  $36,000
Vancouver Island North Women’s Resource Society
Start-up costs for the advocacy program  $20,500
WISH Drop-in Centre Society
A pilot project to provide legal support to women who attend the drop-in centre  $7,500

Public Interest Law
Ecojustice Canada Society
Test case litigation on public interest environmental law issues  $200,000
Community Legal Assistance Society
Research into administrative justice issues that arise in residential tenancy cases  $62,000

Environmental Law Centre Society, University of Victoria
The Associates Program and Clinical Program to support lawyers providing pro bono legal services on environmental issues  $50,000

Other Legal Aid
Access Pro Bono Society of BC
An integrated case management database to manage all pro bono programs  $40,000

Kendra Milne and Jess Hadley, staff lawyers at the Community Legal Assistance Society, consulted with advocates on residential tenancy issues at the Provincial Training Conference for Legal Advocates
Financial Statements 2012

Independent Auditor's Report

December 31, 2012

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 statement of financial position as at December 31, 2012, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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 audit. We conducted our audit 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 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants
Vancouver, Canada   March 23, 2013

Tompkins, Wozny, Miller & Co.
Chartered Accountants
Statement of Financial Position

The Law Foundation of British Columbia
As at December 31

<table>
<thead>
<tr>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>307,198</td>
</tr>
<tr>
<td>Investments [note 4]</td>
<td>50,553,151</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>101,847</td>
</tr>
<tr>
<td>Property and equipment [note 5]</td>
<td>26,116</td>
</tr>
<tr>
<td><strong>LIABILITIES AND NET ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Accounts payable [note 6]</td>
<td>170,477</td>
</tr>
<tr>
<td>Child Welfare Fund [note 7]</td>
<td>20,000</td>
</tr>
<tr>
<td>Legal Services Society/Law Foundation Research Fund [note 8]</td>
<td>2,396,774</td>
</tr>
<tr>
<td>Grants payable [note 9]</td>
<td></td>
</tr>
<tr>
<td>— within one year</td>
<td>14,889,337</td>
</tr>
<tr>
<td>— long term</td>
<td>1,798,366</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>19,274,954</td>
</tr>
<tr>
<td>Net assets</td>
<td></td>
</tr>
<tr>
<td>Equity in property and equipment</td>
<td>26,116</td>
</tr>
<tr>
<td>Grant stabilization fund [note 10]</td>
<td>31,687,242</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>31,713,358</td>
</tr>
</tbody>
</table>

Commitment [note 14]

Subsequent event [note 15]

See accompanying notes to the financial statements

Approved by:

Governor

Statement of Changes in Net Assets

Years ended December 31

<table>
<thead>
<tr>
<th>EQUITY IN PROPERTY AND EQUIPMENT $</th>
<th>GRANT STABILIZATION FUND $</th>
<th>NET ASSETS $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>49,576</td>
<td>35,032,399</td>
</tr>
<tr>
<td>Decrease in net assets for the year</td>
<td>(30,538)</td>
<td>(3,338,079)</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>7,078</td>
<td>(7,078)</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>64,209</td>
<td>39,949,464</td>
</tr>
<tr>
<td>Decrease in net assets for the year</td>
<td>(32,902)</td>
<td>(4,898,796)</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>18,269</td>
<td>(18,269)</td>
</tr>
<tr>
<td><strong>2011</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>49,576</td>
<td>35,032,399</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements
## Statement of Operations

*Years ended December 31*

<table>
<thead>
<tr>
<th>INCOME</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received on lawyers’ trust accounts</td>
<td>12,911,431</td>
<td>13,336,105</td>
</tr>
<tr>
<td>Investment income (net) [note 11]</td>
<td>2,782,352</td>
<td>2,784,582</td>
</tr>
<tr>
<td>Unclaimed trust funds and other income [note 12]</td>
<td>583,178</td>
<td>407,238</td>
</tr>
<tr>
<td>Child Welfare Fund</td>
<td>—</td>
<td>48,559</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,276,961</td>
<td>16,527,925</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EXPENSES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and annual report</td>
<td>54,965</td>
<td>57,756</td>
</tr>
<tr>
<td>Consulting and legal</td>
<td>118,812</td>
<td>57,661</td>
</tr>
<tr>
<td>Meetings and travel</td>
<td>160,572</td>
<td>217,403</td>
</tr>
<tr>
<td>Office and other</td>
<td>99,110</td>
<td>122,556</td>
</tr>
<tr>
<td>Rent and occupancy costs</td>
<td>187,054</td>
<td>181,477</td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>1,093,352</td>
<td>1,096,141</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>30,538</td>
<td>32,902</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>1,744,403</td>
<td>1,765,896</td>
</tr>
</tbody>
</table>

| Child Welfare Fund                          | —     | 48,559 |
| **Total**                                   | 1,744,403 | 1,814,455 |

| Net income before grants approved           | 14,532,558 | 14,762,029 |

| Program and project grants approved [note 13] | 18,336,154 | 20,797,532 |
| Less program and project grants refunded or unused | 434,979 | 1,103,805 |

| **Decrease in net assets for the year**     | (3,368,617) | (4,931,698) |

## Statement of Cash Flows

*Years ended December 31*

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received on lawyers’ trust accounts</td>
<td>12,911,431</td>
<td>13,336,105</td>
</tr>
<tr>
<td>Investment income realized (net)</td>
<td>1,385,972</td>
<td>3,174,982</td>
</tr>
<tr>
<td>Unclaimed trust funds and other income received</td>
<td>554,436</td>
<td>407,238</td>
</tr>
<tr>
<td>Expenses paid</td>
<td>(1,770,289)</td>
<td>(1,714,695)</td>
</tr>
<tr>
<td>Child Welfare Fund</td>
<td>—</td>
<td>(27,132)</td>
</tr>
<tr>
<td>Direct costs</td>
<td>(29,674)</td>
<td>(39,281)</td>
</tr>
<tr>
<td>Program and project grants paid (net)</td>
<td>(21,136,619)</td>
<td>(27,679,503)</td>
</tr>
<tr>
<td><strong>Cash used in operating activities</strong></td>
<td>(8,084,743)</td>
<td>(12,542,286)</td>
</tr>
<tr>
<td>Research fund activities (net)</td>
<td>24,665</td>
<td>73,976</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(8,060,078)</td>
<td>(12,468,310)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INVESTING ACTIVITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property and equipment purchased</td>
<td>(7,078)</td>
<td>(18,270)</td>
</tr>
<tr>
<td>Sale of investments (net)</td>
<td>8,165,955</td>
<td>12,691,150</td>
</tr>
<tr>
<td><strong>Cash provided by investing activities</strong></td>
<td>8,158,877</td>
<td>12,672,880</td>
</tr>
<tr>
<td>Increase in cash for the year</td>
<td>98,799</td>
<td>204,570</td>
</tr>
<tr>
<td>Cash, beginning of year</td>
<td>208,399</td>
<td>3,829</td>
</tr>
<tr>
<td><strong>Cash, end of year</strong></td>
<td>307,198</td>
<td>208,399</td>
</tr>
</tbody>
</table>

*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

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 handbook). Where section III is not applicable, the foundation applies Canadian accounting standards for private enterprises, as set forth in Section II of the handbook.

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.

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 consist of bond and equity funds [note 4] comprised of stocks and bonds that are traded on stock exchanges by the fund managers. Transactions are reported based on their settlement date.

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.

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.
Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange 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.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The foundation is exposed to interest rate risk on its investments in bond funds where bond interest rates versus market interest rates will affect the price of the bonds and therefore, the bond fund investment price. The foundation's interest income received on lawyers' trust accounts is also subject to interest rate risk.

Other price risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The foundation is exposed to other price risk through its investment in equity-based fund investments.

3. FINANCIAL INSTRUMENTS
The foundation's financial instruments consist of cash, investments, accounts payable and grants payable.

Measurement of Financial Instruments
The foundation initially measures its financial assets and financial liabilities at fair value.

The foundation subsequently measures all of its financial assets and liabilities at amortized cost, except for the investments that are quoted in an active market, which are measured at fair value.

Financial instruments measured at amortized cost consist of cash, accounts payable and grants payable.

Risk of Financial Instruments
The foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the foundation's risk exposure at the balance sheet date.

Credit risk
Credit risk is the risk that one party to the financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The foundation's main credit risk relates to fixed income fund investments and bank deposits.

Liquidity risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The foundation is exposed to this risk mainly in respect of its accounts payable and grants payable. 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. The foundation also sets investment policies and monitors its investments to minimize liquidity risk.

4. INVESTMENTS

<table>
<thead>
<tr>
<th>Fund</th>
<th>2012 Market Value $</th>
<th>2011 Market Value $</th>
</tr>
</thead>
<tbody>
<tr>
<td>CC&amp;L High Yield Bond Fund I</td>
<td>7,558,980</td>
<td>—</td>
</tr>
<tr>
<td>PC Canadian Equity Income &amp; Growth Fund II</td>
<td>9,977,043</td>
<td>—</td>
</tr>
<tr>
<td>CC&amp;L Bond Fund — 3,075,337 units [2011 — 4,249,535 units]</td>
<td>33,017,128</td>
<td>46,150,375</td>
</tr>
<tr>
<td>CC&amp;L Canadian Q-Core Fund — Nil units [2011 — 1,273,043 units]</td>
<td>—</td>
<td>11,172,351</td>
</tr>
<tr>
<td></td>
<td>50,553,151</td>
<td>57,322,726</td>
</tr>
</tbody>
</table>

The foundation owns 2.8% [December 31, 2011 — 4.1%] of the units of the CC&L Bond Fund, 16.2% of the units of the CC&L High Yield Bond Fund I and 2.7% of the units of the PC Canadian Equity Income & Growth Fund II.
The CC&L Bond Fund consists of Canadian government and corporate bonds and debentures that make up approximately 96.6% [December 31, 2011 — 98.4%] of its portfolio and international bonds, debentures and other foreign content that make up approximately 3.4% [December 31, 2010 — 1.6%] of its portfolio. The CC&L High Yield Bond Fund I consists of Canadian bonds and debentures that make up approximately 50.7% of its portfolio and international bonds, debentures and other foreign content that make up approximately 49.3% of its portfolio.

At December 31, 2012, the average yield on all the investments was 3.75% [December 31, 2011 — 3.74%].

The foundation’s investment policy allows for equities and high yield bonds of up to 35% of the market value of its portfolio, with pooled fixed income funds making up the remainder.

5. PROPERTY AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>COST $</th>
<th>ACCUMULATED AMORTIZATION $</th>
<th>NET BOOK VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>123,027</td>
<td>116,874</td>
<td>6,153</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>27,240</td>
<td>20,180</td>
<td>7,060</td>
</tr>
<tr>
<td>Computers and accessories</td>
<td>31,188</td>
<td>18,285</td>
<td>12,903</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>181,455</td>
<td>155,339</td>
<td>26,116</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>COST $</th>
<th>ACCUMULATED AMORTIZATION $</th>
<th>NET BOOK VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2011</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>123,027</td>
<td>99,076</td>
<td>23,951</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>57,188</td>
<td>48,063</td>
<td>9,125</td>
</tr>
<tr>
<td>Computers and accessories</td>
<td>31,107</td>
<td>14,607</td>
<td>16,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>211,322</td>
<td>161,746</td>
<td>49,576</td>
</tr>
</tbody>
</table>

6. ACCOUNTS PAYABLE

<table>
<thead>
<tr>
<th></th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade</td>
<td>160,231</td>
<td>216,205</td>
</tr>
<tr>
<td>Government remittances — payroll</td>
<td>10,246</td>
<td>9,639</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>170,477</td>
<td>225,844</td>
</tr>
</tbody>
</table>

7. 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 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 current and prior year.

8. 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 the 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.

<table>
<thead>
<tr>
<th></th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research fund, beginning of year</td>
<td>2,285,991</td>
<td>2,368,015</td>
</tr>
<tr>
<td>Direct expenses</td>
<td>(10,551)</td>
<td>(12,764)</td>
</tr>
<tr>
<td>Grants approved</td>
<td>—</td>
<td>(171,000)</td>
</tr>
<tr>
<td>Investment income allocated [note 11]</td>
<td>121,334</td>
<td>101,740</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2,396,774</td>
<td>2,285,991</td>
</tr>
</tbody>
</table>

9. 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>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>14,889,337</td>
<td>2,142,029</td>
</tr>
<tr>
<td>2014</td>
<td>1,798,366</td>
<td>54,500</td>
</tr>
<tr>
<td>2015</td>
<td>—</td>
<td>78,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>16,687,703</td>
<td>20,038,939</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012 $</th>
<th>2011 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less portion payable within one year</td>
<td>(14,889,337)</td>
<td>(17,764,410)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,798,366</td>
<td>2,274,529</td>
</tr>
</tbody>
</table>

10. GRANT STABILIZATION FUND

The foundation has a goal of insulating continuing program 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.
11. INVESTMENT INCOME (NET)
Investment income (net) comprises:

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends earned</td>
<td>$1,645,787</td>
<td>$3,427,326</td>
</tr>
<tr>
<td>Write-up (write-down) of investments to market value</td>
<td>$1,860,585</td>
<td>$(606,844)</td>
</tr>
<tr>
<td>(Loss) gain on sale of investments</td>
<td>$(464,205)</td>
<td>$216,445</td>
</tr>
<tr>
<td>Investment advisory fees</td>
<td>$(138,481)</td>
<td>$(150,605)</td>
</tr>
<tr>
<td>Less investment income allocated to the research fund [note 8]</td>
<td>$(121,334)</td>
<td>$(101,740)</td>
</tr>
<tr>
<td></td>
<td>2,903,686</td>
<td>2,886,322</td>
</tr>
<tr>
<td></td>
<td>2,782,352</td>
<td>2,784,582</td>
</tr>
</tbody>
</table>

12. 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 2012 was $421,235 [2011 — $253,988].

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 2012 was $161,943 [2011 — $153,250].

13. PROGRAM AND PROJECT GRANTS APPROVED

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major continuing program and project grants in excess of $1,000,000 were made to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services Society of BC</td>
<td>$3,674,750</td>
<td>$3,659,750</td>
</tr>
<tr>
<td>BC Courthouse Library Society</td>
<td>$2,737,750</td>
<td>$2,737,750</td>
</tr>
<tr>
<td>Community Legal Assistance Society</td>
<td>$1,192,450</td>
<td>$1,390,450</td>
</tr>
<tr>
<td>Other continuing program grants</td>
<td>$8,820,481</td>
<td>$8,381,454</td>
</tr>
<tr>
<td>Alignment of grants with fiscal years of grantees</td>
<td>—</td>
<td>$1,939,996</td>
</tr>
<tr>
<td>Other project grants</td>
<td>$1,910,723</td>
<td>$2,688,132</td>
</tr>
<tr>
<td></td>
<td>18,336,154</td>
<td>20,797,532</td>
</tr>
</tbody>
</table>

There were no project grants awarded in 2012 or 2011 that were conditional upon the receipt of matching funds by the grantees. At December 31, 2012, aggregate grants totalling $Nil [December 31, 2011 — $414,025] were conditional upon the receipt of matching funds. At December 31, 2012, there were $364,075 [2011 — $1,414,728] of matched grants in grants payable.

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.

14. COMMITMENT

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. (See Subsequent Event — note 15). The required payments are as follows:

<table>
<thead>
<tr>
<th>BASIC RENT COMMITMENT</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 (4 months)</td>
<td>31,988</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15. SUBSEQUENT EVENT

On January 31, 2013, the foundation signed an extension agreement extending its lease from May 1, 2013, to April 30, 2023. In addition to shared building operating costs and property taxes, the foundation is committed to annual rent payments, which are exclusive of GST, in the amount of $114,160 for the first 5 years, and $136,992 for the second 5 years.
Board of Governors
As of July 1, 2012

From left to right:
Judge Dennis Schmidt
Family Law Committee
Fellowships and Research Committee
Policy and Planning Committee
Anna Fung, QC
Finance and Administration Committee (Chair)
New Grants Committee
Frank Scordo
Fellowships and Research Committee
Policy and Planning Committee
Warren Milman
Class Actions Committee (Chair)
Fellowships and Research Committee
Policy and Planning Committee
Sandra Dick
Family Law Committee (Chair)
Finance and Administration Committee
Policy and Planning Committee
Jay Chalke, QC
Doug McCallum
Finance and Administration Committee
New Grants Committee (Chair)
Ron Toews, QC
Finance and Administration Committee
Special Needs Fund Committee
Eugene Raponi, QC
Aboriginal Legal Issues Committee
Family Law Committee
New Grants Committee
Policy and Planning Committee

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

Samantha Huime
Aboriginal Legal Issues Committee
New Grants Committee
Policy and Planning Committee

Patrick Kelly
Aboriginal Legal Issues Committee (Chair)
Fellowships and Research Committee
New Grants Committee

Anita Dalakoti
Finance and Administration Committee
New Grants Committee

Justice David Masuhara
Finance and Administration Committee
Special Needs Fund Committee

Robert Groves
Finance and Administration Committee
New Grants Committee

Tamara Hunter
Class Actions Committee
New Grants Committee
Policy and Planning (Chair)

Patricia Schmit, QC
Family Law Committee
Fellowships and Research Committee (Chair)
Policy and Planning Committee

Kelle Maag, QC
Finance and Administration Committee
Special Needs Fund Committee (Chair)

Photographs: Brian Dennehy, Linda Mix, Mike Seaborn and Lois Shelton
Coordination and editing: Winnifred Assmann and Ben D’Andrea, All About Writing

Law Foundation of British Columbia

As of December 1, 2012
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Janna Cumming
Program Director
Jo-Anne Kaulius
Finance Director
Linda Mix
Program Director
Sandra Morgenstern
Program Assistant
Wayne Robertson, QC
Executive Director
Veenu Saini
Program Director
Michael Seaborn
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Lois Shelton
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