

FINANCIAL STATEMENTS

**THE LAW FOUNDATION
OF BRITISH COLUMBIA**

December 31, 2019



INDEPENDENT AUDITOR'S REPORT

To the Governors of The Law Foundation of British Columbia

Opinion

We have audited the financial statements of The Law Foundation of British Columbia (the Foundation), which comprise the statement of financial position as at December 31, 2019, and the statements of changes in net assets, operations, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2019, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

INDEPENDENT AUDITOR'S REPORT (CONT'D)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Tompkins Wozny LLP

Vancouver, Canada
March 7, 2020

Chartered Professional Accountants



STATEMENT OF FINANCIAL POSITION

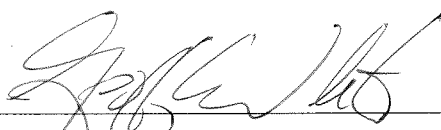
As at December 31


	2019 \$	2018 \$
ASSETS		
Current assets		
Cash	6,296,952	2,814,376
Short-term investments [note 4]	116,254,489	84,899,526
Accounts receivable and other	268,335	62,194
	122,819,776	87,776,096
Long-term investments [note 4]	10,109,381	3,173,115
Capital assets [note 5]	58,693	60,505
	132,987,850	91,009,716
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities [note 6]	509,777	260,759
Legal Services Society/Law Foundation Research Fund [note 7]	1,940,584	2,068,637
Legal Services Society/Law Foundation Cultural Competence [note 7]	400,000	400,000
Access to Justice Fund [note 8]	—	547,218
Grants payable [note 9]	21,592,443	19,237,963
	24,442,804	22,514,577
Long-term grants payable [note 9]	14,567,048	9,771,150
	39,009,852	32,285,727
NET ASSETS		
Invested in capital assets	58,693	60,505
Grant Stabilization Fund [note 10]	93,919,305	58,663,484
	93,977,998	58,723,989
	132,987,850	91,009,716

Commitment [note 14]

See accompanying notes to the financial statements

Approved by:


Governor


Governor

STATEMENT OF CHANGES IN NET ASSETS

Year ended December 31

	Invested in Capital Assets \$	Grant Stabilization Fund \$	Net Assets \$
2019			
Balance, beginning of year	60,505	58,663,484	58,723,989
Excess of revenue (expenses) for the year	(19,602)	35,273,611	35,254,009
Acquisition of capital assets	17,790	(17,790)	—
	58,693	93,919,305	93,977,998
2018			
Balance, beginning of year	18,754	40,987,044	41,005,798
Excess of revenue (expenses) for the year	(13,060)	17,731,251	17,718,191
Acquisition of capital assets	54,811	(54,811)	—
	60,505	58,663,484	58,723,989

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS

Year ended December 31

	2019	2018
	\$	\$
REVENUE		
Interest received on lawyers' trust accounts	57,842,014	52,043,055
Investment income [note 11]	10,146,303	89,079
Unclaimed trust funds and other income [note 12]	1,337,441	568,162
	69,325,758	52,700,296
Access to justice fund [note 8]	2,199,218	—
	71,524,976	52,700,296
EXPENSES		
Amortization of capital assets	19,602	13,060
Audit and annual report	60,638	52,795
Consulting and legal	124,465	86,129
Meetings and travel	210,399	176,776
Office and other	240,629	164,506
Rent and occupancy costs	257,323	245,188
Salaries and employee benefits	1,626,905	1,300,203
	2,539,961	2,038,657
Access to justice fund [note 8]	2,199,218	—
	4,739,179	2,038,657
Excess of revenue before grants approved	66,785,797	50,661,639
Net grants approved [note 13]	31,531,788	32,943,448
Excess of revenue for the year	35,254,009	17,718,191

See accompanying notes to the financial statements

STATEMENT OF CASH FLOWS

Year ended December 31

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue for the year	35,254,009	17,718,191
Items not affecting cash		
Amortization	19,602	13,060
Write-down (up) of investments to market value	(5,441,670)	3,172,402
Changes in non-cash working capital items		
Accounts receivable and other	(206,141)	(17,139)
Accounts payable and accrued liabilities	249,018	94,520
Legal Services Society/Law Foundation Research Fund	(128,053)	1,376
Legal Services Society/Law Foundation Cultural Competence Fund	—	400,000
Access to Justice Fund	(547,218)	547,218
Grants payable	7,150,378	13,049,714
Cash provided by operating activities	36,349,925	34,979,342
INVESTING ACTIVITIES		
Acquisition of capital assets	(17,790)	(54,811)
Purchase of investments (net)	(32,849,559)	(33,910,059)
Cash used in investing activities	(32,867,349)	(33,964,870)
Increase in cash for the year	3,482,576	1,014,472
Cash, beginning of year	2,814,376	1,799,904
Cash, end of year	6,296,952	2,814,376

See accompanying notes to the financial statements

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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 and reflect the following significant accounting policies:

Revenue Recognition

The Foundation follows the deferral method of accounting for contributions.

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.

Investments

Investments [note 4] consist of money market, bond and equity funds comprised of stocks and bonds that are traded on stock exchanges by the fund managers, and long-term real estate and infrastructure investments which are reviewed periodically to assess market values.

Investments are recorded at fair market value. Realized gains (losses) are reported based on their settlement date. Unrealized gains (losses) are reflected as a write-up (write-down) within net investment income. Interest and dividends earned, but not received, are recorded on an accrual basis by the fund managers.

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Program and Project Grants Approved (Cont'd)

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.

Capital Assets

Capital assets are capitalized and amortized on a straight-line basis as follows:

- | | |
|---------------------------|-----------------|
| ▪ Leasehold improvements | remaining lease |
| ▪ Furniture and equipment | 5 years |
| ▪ Computers and software | 3 and 10 years |

Restricted and Administered Funds

- a) Legal Services Society/Law Foundation Research Fund (Research Fund) and the Legal Services Society/Law Foundation Cultural Competence Fund (Cultural Competence Fund).

As the Foundation administers, but does not exclusively control, the expenditures from the Research Fund and the Cultural Competence 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 Research Fund.

- b) Access to Justice Fund

The purpose of the Foundation's Access to Justice Fund (the Fund) is to receive and distribute *cy-pres* settlement funds arising from class actions, or other funds received by the Foundation for access to justice purposes. Direct expenditures and grants approved are 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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. Significant areas requiring the use of management estimates relate to the determination of the useful lives of capital assets, the determination of certain accrued liabilities, and the dollar value of grants to be paid out within one year. Actual results could differ from the estimates.

Cash

Cash is defined as cash on hand and cash on deposit net of cheques issued and outstanding at the year-end.

3. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, short and long-term investments, accounts payable and accrued liabilities 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 or have market value data available, which are measured at fair market value.

Financial instruments measured at amortized cost consist of cash, accounts payable and accrued liabilities 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 bond fund investments and bank deposits.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

3. FINANCIAL INSTRUMENTS (CONT'D)

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 to the timing of its grants payable and long-term investment maturities. Most of the Foundation's investments consist of pooled funds, and 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.

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 with its ownership of international bonds and debentures within its investment funds. 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 and real estate/infrastructure securities. 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 and real estate/infrastructure investments.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

4. INVESTMENTS

	Cost \$	Fair Market Value \$
2019		
Short-term		
CC&L Group Money Market Fund A	1,408	1,408
CC&L High Yield Bond Fund I [2,899,507 units]	27,577,417	28,007,210
CC&L Equity Income & Growth I Fund [679,684 units]	8,154,492	8,279,575
CC&L Bond Fund A [5,484,780 units]	56,980,050	57,311,011
CC&L Q Group Global Equity Fund [2,187,057 units]	23,264,408	22,655,285
	<u>115,977,775</u>	<u>116,254,489</u>
Long-term		
Crestpoint Real Estate Investments Ltd. [273,901 units]	4,509,181	4,509,181
CC&L Infrastructure Fund [352,480 units]	5,600,200	5,600,200
	<u>10,109,381</u>	<u>10,109,381</u>
Total	<u>126,087,156</u>	<u>126,363,870</u>
2018		
Short-term		
CC&L High Yield Bond Fund I [1,903,758 units]	18,042,361	17,414,625
CC&L Equity Income & Growth I Fund [399,886 units]	4,705,266	4,262,910
CC&L Bond Fund A [4,919,743 units]	49,526,747	49,528,046
CC&L Q Group Global Equity Fund [1,472,308 units]	16,015,467	13,693,945
	<u>88,289,841</u>	<u>84,899,526</u>
Long-term		
Crestpoint Real Estate Investments Ltd. [151,506 units]	2,391,037	2,391,037
CC&L Infrastructure Fund [50,975 units]	782,078	782,078
	<u>3,173,115</u>	<u>3,173,115</u>
Total	<u>91,462,956</u>	<u>88,072,641</u>

For the year-ended December 31, 2019, the average yield on all the short-term investments was 11.8%. [December 31, 2018 – 0.50%].

The Foundation's current investment policy has allocated up to 30% of the portfolio in illiquid real estate and infrastructure funds (long-term investments), and the balance to CC&L Investment Management for its balanced mandate of universal bonds, Canadian and Global equities.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

5. CAPITAL ASSETS

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2019			
Leasehold improvements	4,686	—	4,686
Furniture and equipment	30,513	23,745	6,768
Computers and software	70,775	23,536	47,239
	105,974	47,281	58,693
2018			
Furniture and equipment	30,513	18,177	12,336
Computers and software	57,671	9,502	48,169
	88,184	27,679	60,505

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019 \$	2018 \$
Operating	154,578	166,132
Funds administered for others	323,396	62,022
Government remittances – payroll taxes	30,212	30,894
Government remittances – WorkSafeBC	1,591	1,711
	509,777	260,759

7. LEGAL SERVICES SOCIETY/LAW FOUNDATION RESEARCH FUNDS

a) Legal Services Society/Law Foundation Research Fund (Research Fund)

The Legal Services Society 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 Foundation administers the Research Fund, and an advisory committee consisting of one nominee from the Legal Services Society, the Foundation, and the Notary Foundation approves distribution of the funds. Investment income earned on unexpended funds is added to the Research Fund.

	2019 \$	2018 \$
Research Fund, beginning of year	2,068,637	2,067,261
Grants – approved	(387,000)	—
Grants – returned to fund	74,306	740
Investment income allocated <i>[note 11]</i>	184,641	636
Research Fund, end of year	1,940,584	2,068,637

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

7. LEGAL SERVICES SOCIETY/LAW FOUNDATION RESEARCH FUNDS (CONT'D)

b) Legal Services Society/Law Foundation Cultural Competence Fund (Cultural Competence Fund)

There was no activity in the fund during the year.

The Foundation received a grant of \$400,000 from the Law Society of BC in 2018.

8. ACCESS TO JUSTICE FUND

In 2017, the balance of the class action award of \$189,218 was received and in 2018 the Foundation received a grant of \$358,000 from the Province of British Columbia for access to justice initiatives by way of clinics. However, during 2019 this \$358,000 in funding was transferred to general revenue as these clinics were funded out of regular grants revenue.

In 2019, the Foundation received a total of \$2,025,400 in grants: \$25,400 in cy-pres funds was received from a class action award from Klein Lawyers; \$1,750,000 was received from the Province of British Columbia for access to justice initiatives by way of seven new clinics; and \$250,000 was received from the Province of BC to allocate towards Gladue initiatives.

The opening balance from 2018 was \$547,218 resulting in \$2,572,618 available for access to justice initiatives. During 2019, \$2,199,218 in grants were approved and \$373,400 was realized in general revenue, leaving a balance remaining of \$ Nil.

	2019 \$	2018 \$
Opening Funds	547,218	189,218
Funds Received		
– Klein Lawyers Cy Pres	25,400	—
– Province of BC – Legal Clinics	1,750,000	358,000
– Province of BC - Gladue	250,000	—
Total Funds Received	2,025,400	547,218
Grants approved		
– Access Pro Bono Society	(189,218)	—
– Gladue Initiatives	(250,000)	—
– Legal Clinics	(1,750,000)	—
– Thompson Rivers University	(10,000)	—
Total Grants Issued	(2,199,218)	—
Transferred to Revenue		
– Province of BC 2018	(358,000)	—
– Balance of Klein Lawyers Cy-Pres	(15,400)	—
Total Funds Transferred	(373,400)	—
Closing Funds	—	547,218

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

9. GRANTS PAYABLE

The Foundation has approved grants with multi-year payment schedules that are estimated to be payable as follows:

	2019	2018
	\$	\$
Opening grants payable	29,009,113	15,959,399
Grants approved	32,162,000	33,378,800
– Law Foundation of BC [note 13]	32,162,000	33,378,800
– Access to Justice [note 8]	2,199,218	—
– LSS/LF Research Fund [note 7]	387,000	—
Payments	(26,026,250)	(19,827,234)
– Law Foundation of BC	(26,026,250)	(19,827,234)
– Access to Justice	(1,032,000)	—
– LSS/LF Research Fund	(280,541)	(65,760)
Grants refunded	(184,743)	(435,352)
– Law Foundation of BC	(184,743)	(435,352)
– LSS/LF Research Fund	(74,306)	(740)
Ending grants payable	36,159,491	29,009,113
Current	21,592,443	19,237,963
Long-term	14,567,048	9,771,150
	36,159,491	29,009,113

10. GRANT STABILIZATION FUND

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

11. INVESTMENT INCOME (NET)

Net investment income comprises:

	2019	2018
	\$	\$
Interest and dividends earned	5,301,693	2,627,113
Write-up (down) of investments to market value	5,441,670	(3,172,402)
Gain (loss) on sale of investments	(124,189)	850,921
Investment advisory fees	(288,230)	(215,917)
	10,330,944	89,715
Less investment income allocated to the Research Fund [note 7]	(184,641)	(636)
	10,146,303	89,079

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

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 2019 was \$267,445 [2018 – \$245,842].

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. This amount was increased to \$340,000 in 2014, of which \$48,380 is to be paid towards the rent and applicable taxes for Access Pro Bono Society of BC, \$60,000 to access to justice initiatives, and the balance to pro bono initiatives. The total other income received for 2019 was \$1,069,996 [2018 – \$322,320]. Of the \$1,069,996, \$716,000 was from the BC Provincial government to offset clinic costs, \$298,420 was from the Law Society, \$40,176 was from the BC Provincial government to offset costs related to the Bargaining Incentive Bonus distribution [note 15], and \$15,400 was from undesignedated cy-pres awards.

	2019	2018
	\$	\$
Unclaimed Trust Funds	267,445	245,842
Other Income		
Law Society	298,420	291,600
BC Provincial Government – New Clinics	716,000	—
BC Provincial Government – Bargaining Incentive Bonus	40,176	—
Undesignated cy-pres awards	15,400	—
Notary Society	—	30,000
Miscellaneous other income	—	720
Total Other Income	1,069,996	322,320
	1,337,441	568,162

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

13. NET GRANTS APPROVED

	2019	2018
	\$	\$
Major continuing program and project grants in excess of \$1,000,000 were made to:		
BC Courthouse Library	2,470,000	2,470,000
Community Legal Assistance	1,000,000	—
Legal Services Society	3,250,000	3,250,000
University of Victoria	—	5,000,000
Other continuing program grants	19,945,000	11,510,000
Other project grants	5,497,000	11,148,800
	32,162,000	33,378,800
Less: Program and project grants refunded	(630,212)	(435,352)
	31,531,788	32,943,448

14. COMMITMENT

Premises Lease

The Foundation is committed to annual lease payments of \$136,992, which is exclusive of shared operating costs and GST, until April 30, 2023, for its office premises for a total commitment of \$456,640.

15. BARGAINING INCENTIVE BONUS (BIB)

In March 2019, the Province of BC announced a one-time grant of \$7,940,000 to support the development of a new framework for legal aid funding, with \$4,000,000 coming from government and \$3,940,000 coming from Legal Services Society (LSS). This funding ensured that legal aid lawyers would continue to provide legal aid services while the government, LSS and the Association of Legal Aid Lawyers (ALL) negotiated an agreement for long-term sustainable legal aid funding. This funding was used to increase payments to legal aid lawyers from April 28, 2019 until November 3, 2019.

The Law Foundation of BC received the BIB funds in April and was tasked with acting as a conduit for the BIB funds distribution between June and December 2019.