



FINANCIAL STATEMENTS

December 31, 2023





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, 2023, 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, 2023, 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:

- 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.

Vancouver, Canada
March 9, 2024

Tompkins Wozny LLP
Chartered Professional Accountants



Tompkins Wozny
Chartered Professional Accountants



Statement of Financial Position

As at December 31

	Note(s)	2023 \$	2022 \$
ASSETS			
Current			
Cash and cash equivalents		41,870,255	15,635,056
Accounts receivable and prepaid expenses		142,748	373,233
		42,013,003	16,008,289
Investments	4	332,468,398	173,712,940
Capital assets	5	723,667	200,112
		375,205,068	189,921,341
LIABILITIES			
Current			
Accounts payable and accrued liabilities	6	1,999,958	1,167,902
Research Fund	2a, 7a	1,593,157	1,597,873
Cultural Competence Fund	2a, 7b	400,000	400,000
Deferred Government Funding	9	7,259,550	-
Grants payable	10	73,511,719	45,629,764
		84,764,384	48,795,539
Long-term grants payable	10	28,619,876	37,751,929
		113,384,260	86,547,468
NET ASSETS			
Invested in capital assets		723,667	200,112
Grant Stabilization Fund	11	261,097,141	103,173,761
		261,820,808	103,373,873
		375,205,068	189,921,341

Access to Justice Fund – Notes 2b, 8

Commitments – Note 17

See accompanying notes to the financial statements

Approved by:

/Signed/ Mary Childs

Governor

/Signed/ Claire Hunter, KC

Governor



Statement of Changes in Net Assets

Year ended December 31

	Invested in Capital Asset \$	Grant Stabilization Fund \$	Net Assets \$
2023			
Balance, beginning of year	200,112	103,173,761	103,373,873
Excess (deficit) of revenue for the year	(72,282)	158,519,217	158,446,935
Acquisition of capital assets	595,837	(595,837)	-
	723,667	261,097,141	261,820,808
2022			
Balance, beginning of year	136,934	101,273,308	101,410,242
Excess (deficit) of revenue for the year	(27,793)	1,991,424	1,963,631
Acquisition of capital assets	90,971	(90,971)	-
	200,112	103,173,761	103,373,873

See accompanying notes to the financial statements



Statement of Operations

Year ended December 31

	Note(s)	2023 \$	2022 \$
REVENUE			
Interest received on lawyers' pooled trust accounts		210,396,077	89,402,081
Investment income (loss)	12	19,978,198	(7,416,232)
Other income	13	1,717,828	1,630,266
		232,092,103	83,616,115
Access to Justice Fund revenue	8	-	837,500
Government Funding revenue	9	2,814,450	2,797,509
		234,906,553	87,251,124
EXPENSES			
Amortization of capital assets		72,282	27,793
Audit and annual report		110,978	88,112
Consulting and legal		273,035	431,767
Office and other		480,824	444,335
Rent and occupancy costs		401,433	261,565
Salaries and employee benefits		4,099,752	2,822,190
Staff and Board meetings and travel		228,535	174,585
Total operating expenses		5,666,839	4,250,347
Program costs	15	316,914	74,898
Grantee training and capacity support	16	704,281	396,459
Access to Justice Fund expenses	8	-	837,500
Government Funding expenses	9	2,814,450	2,797,509
		9,502,484	8,356,713
Excess of revenue before net grants approved		225,404,069	78,894,411
Net grants approved	14	66,957,134	76,930,780
Excess of revenue for the year		158,446,935	1,963,631

See accompanying notes to the financial statements



Statement of Cash Flows

Year ended December 31

	2023 \$	2022 \$
OPERATING ACTIVITIES		
Excess of revenue for the year	158,446,935	1,963,631
Items not affecting cash:		
Amortization	72,282	27,793
Increase in unrealized (gain) loss on investments	(11,690,462)	12,613,890
Changes in non-cash working capital items:		
Accounts receivable and prepaid expenses	230,485	(203,211)
Accounts payable and accrued liabilities	832,056	488,433
Research Fund	(4,716)	(67,466)
Deferred Government Funding	7,259,550	(2,081,509)
Grants payable	18,749,902	46,429,990
Cash provided by operating activities	173,896,032	59,171,551
INVESTING ACTIVITIES		
Acquisition of capital assets	(595,837)	(90,971)
Net purchase of investments	(147,064,996)	(48,949,541)
Cash used in investing activities	(147,660,833)	(49,040,512)
Increase in cash and cash equivalents for the year	26,235,199	10,131,039
Cash and cash equivalents, beginning of year	15,635,056	5,504,017
Cash and cash equivalents, end of year	41,870,255	15,635,056

See accompanying notes to the financial statements



Notes to Financial Statements

December 31, 2023

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 funds held in lawyers' pooled trust accounts in the banks and credit unions of the province. The Foundation is administered by a Board of Governors who are responsible for distributing this interest, 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 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. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash Basis – Interest on Lawyers' Pooled Trust Accounts

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

Lawyers who hold funds in trust for or on account of clients are required to comply with Section 62 of the *Legal Profession Act* and Part 3, Division 7 of the Rules of the Law Society of British Columbia (the "Law Society"). These rules require that interest earned on funds held in lawyers' pooled trust accounts be remitted to the Foundation. The Foundation assumes that lawyers have remitted interest in accordance with these requirements and does not estimate or accrue revenue for accounts with interest in arrears. The Law Society's Trust Assurance function periodically identifies accounts with interest in arrears and such amounts are recorded as revenue when the cash is received by the Foundation.



December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments [note 4] consist of money market, bond and equity funds composed of publicly traded stocks, bonds, and money market instruments; long-term real estate and infrastructure funds; and guaranteed investment certificates (GICs). Long-term real estate and infrastructure funds are revalued quarterly by the fund managers.

Investments in publicly traded securities, money market instruments, and long-term funds are recorded at fair market value. Realized gains (losses) are reported based on their settlement date. Unrealized gains (losses) are reflected as an unrealized increase (decrease) within net investment income. Interest and dividends earned, but not received, are recorded on an accrual basis by the fund managers within the investments.

Investments in GICs are reported based on amortized cost. Accrued interest income is recorded as an increase in the value of the GICs within net investment income. Interest payments prior to maturity are recorded as a decrease in the carrying value of GICs.

Program and Project Grants Approved

The Foundation recognizes grants in the Statement of Operations in the year that they are approved by the Board of Governors. Grants are reflected as an expense that reduces the Grant Stabilization Fund.

Grants that are not yet paid are reflected as grants payable in the Statement of Financial Position. Grants payable within twelve months are recorded as current, and grants payable beyond twelve months are recorded as long-term.

Program and Project Grants Refunded

All approved grants contain conditions that must be met by grantee organizations. Grants may be refunded if they are no longer required or when grant conditions have not been met.

Refunded grants consist of either funds held by the Foundation that are no longer payable, or funds that have been paid by the Foundation to a grantee and are paid back to the Foundation. Funds held by the Foundation that become no longer payable are recorded when the Foundation becomes aware that the funds are no longer required by the grantee or when it becomes known that grant conditions will not be met. Funds paid back to the Foundation by grantees are reported on a cash basis.

Capital Assets

Capital assets are capitalized at cost and amortized on a straight-line basis based on estimates of assets' useful lives. When the Foundation observes conditions that indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The write-downs of capital assets, if any, are accounted for as expenses in the statement of operations. As at December 31, 2023, the Foundation's capital assets' useful lives were estimated in the following ranges:

- Furniture and equipment 5 to 20 years
- Computer hardware 3 to 6 years
- Computer software 5 to 10 years
- Leasehold improvements 10 years



December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted and Administered Funds

a) Legal Aid BC/Law Foundation Research Fund (Research Fund) and the Legal Aid BC/Law Foundation Cultural Competence Fund (Cultural Competence Fund)

Legal Aid BC (formerly the Legal Services Society) and the Foundation established the Research Fund pursuant to a deed of trust. 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 Legal Aid BC, the Foundation, and the Notary Foundation of British Columbia, approves distribution of the funds.

Because 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.

b) Access to Justice Fund

The purpose of the Foundation's Access to Justice Fund is to receive and distribute cy-près settlement funds arising from class actions where the settlement agreement or judgment restricts the use of such funds. 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 approved and not yet paid are grouped with the Foundation's grants payable.

c) Government Funding

The Foundation receives funding from the Province of British Columbia for a network of legal clinics, to fund a portion of the Foundation's legal advocacy programs, and for restorative justice programming. This funding is deferred until related grants are approved or expenditures incurred.

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 approved and not yet paid are grouped with the Foundation's grants payable.

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 and the value of grants to be paid within one year. Actual results could differ from the estimates.

Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, cash on deposit, and Guaranteed Investment Certificates maturing in less than 12 months.



December 31, 2023

3. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, cash equivalents, short and long-term investments, accounts receivable, 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 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. Transaction costs related to financial instruments are expensed as incurred. Financial instruments measured at amortized cost consist of cash and cash equivalents, 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 year-end 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 primary credit risk relates to bond fund investments, bank deposits, and GICs.

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. The Foundation sets investment policies and monitors its investments and cash 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. The Foundation's investment policies allow its investment managers to use derivatives for the sole purpose of hedging exposure in duration, credit or foreign currency, or replicating a market index or a security within a market index, and only in ways that are consistent with funds' investment objectives.

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 foreign-currency denominated securities and cash flows within its investment funds. The Foundation's investment managers use derivative instruments to hedge exposure to foreign currencies.



December 31, 2023

3. FINANCIAL INSTRUMENTS (CONTINUED)

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 and infrastructure funds. The Foundation's investment managers use derivative instruments to hedge exposure to interest rates. The Foundation's interest income received on lawyers' trust accounts is also subject to interest rate risk. The Foundation does not engage in hedge transactions with respect to interest on lawyers' trust accounts.

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 investments in equity and bond funds and real estate and infrastructure investments.

There is no change to these risk exposures compared to the prior year.

4. INVESTMENTS

	Cost \$	Carrying Value \$
2023		
Publicly traded securities	187,972,246	184,897,540
Infrastructure and real estate funds	25,860,436	29,960,678
GICs	113,987,470	117,610,180
Total	327,820,152	332,468,398
2022		
Publicly traded securities	114,151,632	99,867,075
Infrastructure and real estate funds	20,840,464	24,479,017
GICs	48,750,000	49,366,848
Total	183,742,096	173,712,940



December 31, 2023

4. INVESTMENTS (CONTINUED)

At December 31, 2023, the Foundation's portfolio was composed in the following proportions: 56% publicly traded stocks and bonds, 35% GICs held with major banks, and 9% in infrastructure and real estate funds.

GICs held by the Foundation range in maturity between March 2025 and November 2028 and bear interest between 4.30% and 5.50% per year. \$45,000,000 of the principal amount of GICs is redeemable on demand in exchange for forfeiture of accrued interest, and \$68,987,470 is non-redeemable.

5. CAPITAL ASSETS

At December 31, 2023, the Foundation's capital assets include assets under construction of \$219,440 in computer software related to the upgrade to the Foundation's grants management software, Smart Simple. Amortization of these assets is expected to commence in 2024 when the software is put into use.

	Cost \$	Accumulated Amortization \$	Net Book Value \$
2023			
Leasehold improvements	98,613	4,495	94,118
Furniture and equipment	345,851	20,779	325,072
Computer hardware	150,725	82,586	68,139
Computer software	255,245	18,907	236,338
	850,434	126,767	723,667
2022			
Leasehold improvements	6,300	-	6,300
Furniture and equipment	30,517	16,133	14,384
Computer hardware	98,589	48,864	49,725
Computer software	145,031	15,328	129,703
	280,437	80,325	200,112

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023 \$	2022 \$
Operating	992,089	693,259
Funds administered for others	1,007,869	474,643
	1,999,958	1,167,902



December 31, 2023

7. LEGAL AID BC/LAW FOUNDATION FUNDS

a) Legal Aid BC/Law Foundation Research Fund (Research Fund)

Activity in the Research Fund during the year was as follows:

	2023 \$	2022 \$
Research Fund, beginning of year	1,597,873	1,665,339
Grants approved	(125,000)	-
Grants returned to fund	128	23,065
Investment income (loss) allocated <i>[note 12]</i>	120,156	(90,531)
Research Fund, end of year	1,593,157	1,597,873

b) Legal Aid BC/Law Foundation Cultural Competence Fund

There was no activity in the Cultural Competence Fund during the year. In 2018, the Foundation received a \$400,000 grant from the Law Society, which it continues to hold.

8. ACCESS TO JUSTICE FUND

There were no restricted cy-près awards received during the year (one received and granted in 2022):

	2023 \$	2022 \$
Access to Justice Fund, beginning of year	-	-
Restricted cy-près awards – Funds received	-	837,500
Restricted cy-près awards – Net grants approved	-	(837,500)
Access to Justice Fund, end of year	-	-

9. GOVERNMENT FUNDING

Activity during the year related to legal clinics, advocacy programs, and restorative justice programs for which the Foundation receives funding from the Province of BC was as follows:

	2023 \$	2022 \$
Deferred government funding, beginning of year	-	2,081,509
Province of BC – Legal Clinics – Funds received	6,000,000	-
Province of BC – Legal Clinics – Net grants approved	(1,740,450)	(2,081,509)
Province of BC – Legal Advocacy Programs – Funds received	1,074,000	716,000
Province of BC – Legal Advocacy Programs – Net grants approved	(1,074,000)	(716,000)
Province of BC – Restorative Justice Programs – Funds received	3,000,000	-
Province of BC – Restorative Justice Programs – Net grants approved	-	-
Deferred government funding, end of year	7,259,550	-

10. GRANTS PAYABLE

The balance of grants payable includes the full amount of multi-year grants with payments scheduled more than twelve months beyond December 31, 2023.

The amount of Law Foundation of BC funded grants approved during the year of \$68,979,692 is net of a recovery of \$594,550 relating to grants approved and recognized as a Foundation expense in 2022. Government funding for these grants was not received until 2023, resulting in the current year recovery.

		2023 \$	2022 \$
Opening grants payable		83,381,693	36,951,703
Grants approved	Law Foundation of BC <i>[note 14]</i>	68,979,692	77,751,459
	Government funded portion of legal clinics	2,548,142	2,694,284
	Government funded portion of advocacy programs	1,074,000	716,000
	Access to Justice Fund	-	837,500
	LABC/LFBC Research Fund	125,000	-
Payments	Law Foundation of BC <i>[note 14]</i>	(48,337,386)	(31,653,644)
	Government funded portion of legal clinics	(1,929,834)	(2,010,470)
	Government funded portion of advocacy programs	(358,000)	(358,000)
	Access to Justice Fund	(265,694)	-
	LABC/LFBC Research Fund	(140,000)	(123,844)
Grants refunded	Law Foundation of BC <i>[note 14]</i>	(2,022,558)	(813,045)
	Government funded portion of legal clinics	(923,333)	(603,221)
	LABC/LFBC Research Fund	(127)	(7,029)
Ending grants payable		102,131,595	83,381,693
Current		73,511,719	45,629,764
Long-term		28,619,876	37,751,929
		102,131,595	83,381,693

11. 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 maintains 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.

12. NET INVESTMENT INCOME

	2023 \$	2022 \$
Interest and dividends earned	11,245,086	5,783,612
Increase in unrealized gain (loss) on investments	11,690,462	(12,613,890)
Loss on sale of investments	(2,290,779)	(204,615)
Investment advisory fees	(546,415)	(471,870)
	20,098,354	(7,506,763)
Investment (income) loss allocated to the Research Fund <i>[note 7]</i>	(120,156)	90,531
	19,978,198	(7,416,232)

13. OTHER INCOME

Under the Law Society's unclaimed trust fund procedures, lawyers submit unclaimed trust funds to the Law Society, which holds the funds for five years before remitting the money to the Foundation. Separately, the Law Society makes an annual grant to the Law Foundation to fund pro bono legal services and other access to justice initiatives. The Foundation also periodically receives unrestricted awards under the cy-près doctrine, which allows settlement funds or damages awards to be directed to charities or other public interest organizations where it is impractical to distribute the funds to class members. The Foundation received three unrestricted cy-près awards in 2023 (four in 2022).

	2023 \$	2022 \$
Unclaimed trust funds	369,372	304,602
Law Society of BC grants	329,866	317,903
Unrestricted cy-près awards	1,018,590	1,007,272
Miscellaneous other income	-	489
	1,717,828	1,630,266

14. NET GRANTS APPROVED

Net grants approved consists of the full amount of all program and project grants approved by the Board of Governors during the year, except for grants funded by other sources which are recorded as Access to Justice expenses *[note 8]*, Government Funding expenses *[note 9]*, or adjustments to other funds as applicable.

The Foundation issues grants of various durations, including grants with terms extending beyond one year. The full amount of multi-year grants is recognized in Grants approved at the time the grant is approved by the Board.

Net grants approved also includes amounts returned to the Foundation during the year, because they are no longer required by a grantee or when grant conditions have not been met.

14. NET GRANTS APPROVED (CONTINUED)

	2023 \$	2022 \$
Program and project grants approved	68,979,692	77,743,825
Less: program and project grants refunded	(2,022,558)	(813,045)
Net program and project grants approved	66,957,134	76,930,780

15. PROGRAM COSTS

Program costs consist of consulting costs to develop programming; meetings and events involving grantees and grantmaking advisory committees; program-related sponsorships and memberships; and expenses related to the publication and administration of grant calls.

16. GRANTEE TRAINING AND CAPACITY SUPPORT

Grantee training and capacity support costs consist primarily of education and training for legal advocates, including annual training conferences; other training resources for grantees; legal practice management software for grantees; and various capacity-building programs.

17. COMMITMENTS**a) Premises Lease**

On May 1, 2023, the Foundation commenced a ten-year lease for new office premises. Under the lease, the Foundation is required to pay operating costs based on the actual costs incurred by the landlord, therefore the Foundation's future commitment is estimated. The Foundation's estimated average annual commitment is \$310,538 per year. The Foundation's total lease commitment to the expiry of the new lease's term on April 30, 2033 is estimated to be \$3,105,376. This commitment includes rent, operating expenses, property tax, and GST.

b) Practice Management Software

The Foundation is party to a three year software licensing agreement to provide legal practice management software to grantee organizations providing advocacy services to the public. The Foundation's annual commitment is US\$155,628, with the remaining total commitment to the expiry of the agreement's term of December 31, 2025 being US\$311,256.

c) Legal Advocate Training Program Development and Pilot Delivery

On December 22, 2023, the Foundation entered into a contract with the University of Fraser Valley to co-develop and deliver new legal advocate training programs, with expected completion in mid-2025. The total cost of the contract is \$177,520. \$88,760, representing 50% of the cost, is due upon project kick-off in early 2024. Of the remaining commitment, \$71,008 is projected to be due in late 2024 and \$17,752 due in 2025 upon completion of certain deliverables.

18. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year presentation.



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The Law Foundation operates from the shared lands of the xʷməθkʷəy̓əm (Musqueam),
Skwxwú7mesh (Squamish) and səliłwətaʔ (Tsleil-Waututh) peoples