



**45**  
YEARS  
1969 – 2014

Over \$16 million  
in grants

75 continuing programs  
throughout British  
Columbia

57 other projects

18 volunteer  
governors

1 vision: A society where  
access to justice is  
protected and advanced

Read how your Law Foundation  
helped advance access to justice  
in British Columbia in 2014

**Annual  
Report**

# What Is the Law Foundation?

The mandate, mission statement, vision and values of the Law Foundation have been adopted by the board of governors. 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.

### Our Mission

*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.

## What Does the Law Foundation Do?

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 or similar body.

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 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 directs 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 2014, the Law Foundation has approved grants totalling just over \$513 million to support important law-related programs in British Columbia.

## How Does the Law Foundation Work?

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 of the Canadian Bar Association (CBABC).

The Law Foundation is independent of the government, the Law Society and the CBABC, 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 10 assists the board.



*Warren Milman, governor, Law Foundation; David Klein, lawyer, Klein Lyons; Luciana Brasil, lawyer, Branch MacMaster, participating in the systemic advocacy workshop organized by the Law Foundation*

## How Are Grants 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.

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## What Are the Law Foundation's 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.

# Report from the Chair



**Tamara Hunter, Chair**

It is an honour to be reporting to you at the end of my term as chair of the board of governors of the Law Foundation of BC.

2014 was not an easy year, given that it followed the grants budget reductions of late 2013. Fortunately, trust balances in 2014 were high, which means that the foundation did not have to further draw down its grant stabilization fund, and no further grants budget reductions were required at the November 2014 board planning session.

The excellent work done by Law Foundation-funded programs has thus been able to continue for the benefit of all British Columbians.

*The board has worked hard to achieve a level of funding that, in the absence of further interest rate decreases, hopefully will provide stability for grantees going forward.*

## Finances

Interest rates have a significant effect on foundation income because the rate paid on lawyers' pooled trust accounts is pegged to the prime rate. For six years, from 2008 to 2013, the foundation used its grant stabilization fund to maintain funding for grantees. In 2014, some money was added back into the fund, but there will likely be a significant draw-down in 2015, particularly if the prime rate decreases.

The foundation is grateful to those financial institutions that provide competitive rates of return on lawyers' pooled trust accounts. We acknowledge the favourable interest rate agreements provided by HSBC Bank Canada, Canadian Imperial Bank of Commerce, Royal Bank of Canada, TD Canada Trust, Vancouver City Savings Credit Union, Coast Capital Savings Credit Union and First West Credit Union. We thank members of the profession who choose financial institutions accordingly, as this ensures that the foundation receives the highest possible rates of return.

In light of the declining grant stabilization fund, the board of governors agreed at their November 2013 meeting that the grants

budget should be reduced from its previous level of \$19.6 million. This reduction was implemented in 2014, and the grants budget is now \$16,575,000.

In 2014, the Law Society of BC increased its commitment for pro bono and access to justice initiatives by agreeing to provide \$340,000 annually to the Law Foundation for these purposes. The foundation thanks the Law Society for this very important support.

The grants budget of \$16.5 million is based on the board's view of a sustainable funding level for the foreseeable future, taking into account periods of both low and high income. The board has worked hard to achieve a level of funding that, in the absence of further interest rate decreases, hopefully will provide stability for grantees going forward.

The Law Foundation's administration budget was cut this year — there are two fewer staff at the foundation than there were a year ago (an almost 20% reduction), which is consistent with the guideline that the foundation has for its grantees, namely that no more than 10% of a grantee's budget be spent on administration.

## Grants

In 2014, the foundation assessed 207 applications for funding, and approved \$16.5 million in funding for 75 continuing programs and 57 other grants (13 on-track, 11 project and 33 other grants). Recognizing the need for ongoing work in the community in our five statutorily mandated areas, the foundation allocated over \$14.7 million of this amount to continuing and on-track programs.

Highlights of Law Foundation-funded work in 2014 include:

- A 45th anniversary celebration was held in April, attended by approximately 150 people, including Attorney General Anton and Chief Justice Hinkson, as well as many current and former governors, staff and grantees;
- An executive directors' roundtable was held, attended by most of the executive directors of Law Foundation-funded organizations;
- A systemic advocacy workshop was held, attended by lawyers from all of the Law Foundation-funded systemic advocacy organizations;
- A review was conducted of the Law Foundation's bank compliance processes, to ensure that the foundation is receiving the correct amount of interest; and
- Hundreds of thousands of British Columbians were served by Law Foundation-funded programs.



## Priorities in 2015

In 2015, some of the foundation's priorities include:

- developing a strategic plan for 2016 – 2020;
- continuing to look for other sources of revenue, including class action *cy pres* awards;
- reviewing the foundation's communication strategy;
- continuing to work on a coordinated public legal education funding strategy for the province; and
- holding a supervising lawyers' conference for the dedicated lawyers who provide valuable services every day in supervising Law Foundation-funded advocates.

## Governors

At the end of 2014, we said a fond farewell to several board members: Anna Fung, QC, Robert Groves, Justice David Masuhara, Doug McCallum and Frank Scordo, all of whom left the board having completed their terms and provided great service to the foundation.

Anna Fung, QC, served on the New Grants; Fellowships and Research; and Finance and Administration (chair) committees. She provided important guidance on financial issues during a difficult time in Law Foundation history.

Governor Groves served on six committees while on the board. He was a member of the Child Welfare; Finance and Administration; New Initiatives (chair); New Grants; Special Needs (chair); and Policy and Planning committees. Governor Groves was a champion of principled decision-making while on the board.

Justice David Masuhara was an integral part of the Finance and Administration; New Grants; Policy and Planning; and Special Needs committees. Governor Masuhara provided a valuable risk management perspective to board discussions.



Justice David Masuhara and Doug McCallum, governors, Law Foundation

*Hundreds of thousands of British Columbians were served by Law Foundation-funded programs.*

Governor McCallum worked on the New Grants (chair) and Finance and Administration committees. He brought a thoughtful, pragmatic, community-based perspective to board discussions.

Frank Scordo was on six committees while on the board. He was part of the Fellowships and Research; New Initiatives; New Grants; Policy and Planning; Special Needs (chair); and Class Actions committees. Governor Scordo made sure that board discussions always included consideration of regions of the province outside the Lower Mainland.

New to the board as of January 2015 are Judge Marion Buller, Jan Lindsay, QC, Mary MacGregor, QC, and Geoffrey White, all of whom have been appointed by the Law Society.

The Honourable Judge Marion Buller (Westminster County) is a member of the Mistawasis First Nation in Saskatchewan. She was called to the bar in 1988, practised with Connell Lightbody, and was appointed as a judge of the Provincial Court of BC in 1994. She developed and presides in the BC First Nations Court, and was a judge for the BC Northern Circuit Court for seven years. Judge Buller has received the Queen's Golden and Diamond Jubilee Medals.

Jan Lindsay, QC (Vancouver County), of Lindsay LLP was called to the BC bar in 1981 and has practised civil litigation since that time. She was appointed Queen's Counsel in 2009. Ms. Lindsay was president of the Law Society in 2014 and has been involved with society activities since 2000 as a bencher and on numerous committees. She is a recipient of the prestigious Lee Samis Award of Excellence, and in 2013 was awarded the BC Women Lawyers Forum Award of Excellence.

Mary MacGregor, QC (Kamloops County), practises law in Kamloops. Called to the bar in 1977, she worked with firms in the Merritt and Kamloops area for several years, then started her own practice in 1995. She works mainly in corporate-commercial law, including clients in the resource and service sectors in the interior of BC. Ms. MacGregor served on the Thompson Rivers University Law School Advisory Committee, was a member of the Canadian Bar Association BC Branch Judicial Advisory Committee, and has worked as a government appointee on several boards. She was appointed Queen's Counsel in 2014.

Geoffrey White (Okanagan County) was called to the bar in 1997. His practice in Kelowna is focused on estate and charity law. Currently chair of the Okanagan Chapter of the Society of

Estate and Trust Practitioners, he is also a past board member of the BC Centre for Elder Advocacy and Support. He is a frequent presenter on estate law and co-editor of the *CLE Probate and Estate Administration Practice Manual*. Mr. White also volunteers with the People in Motion Society and the Salvation Army.

We are very pleased to have Judge Buller, Ms. Lindsay, Ms. MacGregor and Mr. White join the board and we welcome them!

## New Chair

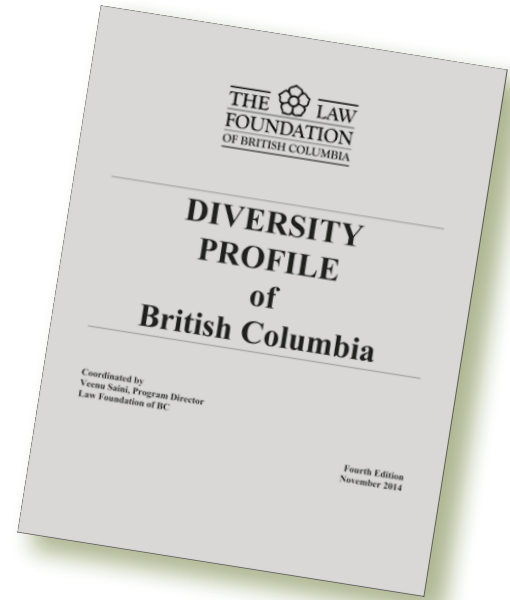
At the end of 2014, I finished my term as chair but will continue as a board member in 2015. The new chair of the Law Foundation board, elected for a two-year term beginning January 1, 2015, is Warren Milman. Chair Milman is a partner with the litigation group of McCarthy Tetrault in Vancouver. He practises in the area of commercial litigation and has been involved in a variety of commercial litigation matters, including bankruptcies and class actions, at all levels of court in Canada, including the Supreme Court of Canada. Mr. Milman earned his law degree from McGill University in 1992 and was called to the British Columbia and California bars in 1993. He is a member of McCarthy Tetrault's Pro Bono Committee and has previously served as chair of the board of Pro Bono Law BC and vice chair of Access Pro Bono. Mr. Milman has been a governor of the Law Foundation since 2011, serving on the Class Actions (chair, 2013 and 2014), Fellowships and Research (2011 and 2012), Finance (2013), and Policy and Planning (since 2011) committees.

Warren is extremely committed to the well-being of the Law Foundation and its grantees, and will be a wonderful board chair.

## The Future

While it is difficult to predict the future, particularly when dealing with interest rates, we do want to ensure that the bar and the community are aware of the following:

- Past boards of the foundation established the grant stabilization fund to ensure continued funding in times of reduced income. The board has used this fund for six years and is prepared to use it prudently in future to support the important work done by the foundation's programs.
- Foundation governors and staff will continue to work hard to ensure that the foundation receives the income it should, at the best possible rate of return.
- The foundation will do its best to support collaboration amongst grantees.
- Front-line services provided by our grantees will continue to receive priority.



The Law Foundation published the 4<sup>th</sup> edition of its *Diversity Profile* in 2014

2014 has been a recovery year for the Law Foundation, and also, we know, for our grantee community. I would like to thank our grantees and their staff and boards for the important work they have done this past year, and for the work they will do in future to enhance access to justice in British Columbia.

In closing, I would like to thank the board of governors, Executive Director Wayne Robertson, QC, and the staff of the Law Foundation for their consistent commitment, hard work and good will. I have been very fortunate to have their steady support over my two years as chair.

**Tamara Hunter**

Chair 2014

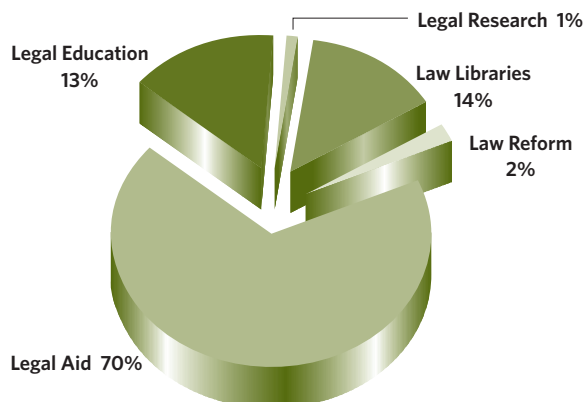
# Programs and Projects Funded in 2014

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.

Note: This year, the Law Foundation gave several continuing programs transition grants to ease the impact of funding reductions.



## Grants Approved in 2014

Legal Education	\$ 2,181,600
Legal Research	120,000
Legal Aid	11,490,580
Law Reform	385,000
Law Libraries	2,315,000
<b>Total</b>	<b>\$16,492,180</b>

- **Continuing program grants**  
Total: \$14,880,000
- **Project grants**  
Total: \$1,612,180
- **Legal Services Society/  
Law Foundation Research Fund grants**  
Total: \$102,500

## 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 **\$215,000**

##### 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 **\$180,000**

##### University of Victoria, Faculty of Law

Public interest work placements **\$65,000**

##### Law Foundation

Graduate fellowships for graduate legal studies by BC lawyers and graduates of BC law schools **\$60,000**

*Jonathan Minnes:* Studies on the unique legal circumstances of military families in Canada, and possible reforms

*Kathryn Thomson:* Research about the role of technologies in access to justice

*Miriam Polman:* Research about the legal definition of "incapacity to consent" and possible regulations

*Richard Veerapen:* Legal and ethical education of healthcare professionals

##### University of British Columbia, Faculty of Law

Public interest work placements **\$45,000**



*Shannon Salter, chair, Civil Resolution Tribunal and Cheryl May, executive director, Residential Tenancy Branch, speakers at the 2014 Provincial Training Conference for Legal Advocates*

##### 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**

##### 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 **\$20,000**

#### Public Legal Education

##### People's Law School Society

Province-wide legal information and education programs **\$240,000**

##### BC Branch of the Canadian Bar Association (CBABC)

The Lawyer Referral Service providing low-cost legal information and assistance; Law Week 2014; and Dial-A-Law, a province-wide telephone service providing free legal information **\$230,000**



*Lorna O'Grady, director of finance and administration, CBABC; Karima Budhwani, program director, Law Foundation*

### **Justice Education Society of BC**

Programs to provide legal education and information about the justice system for the public **\$125,000**

### **PovNet Society**

An online poverty resource and networking tool for anti-poverty advocates, community workers and the general public, which includes online courses through PovNetU **\$90,000**

### **Justice Education Society of BC**

The Northern Public Legal Education Program, a legal information program for First Nations youth in Prince George and surrounding communities **\$65,000**

### **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 law 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, distributed as follows in 2014:

*BC Civil Liberties Association:* A report on requirements for a model accountability mechanism for the Canada Border Services Agency **\$20,000**

*University of British Columbia, Janine Benedet, Isabel Grant:* Research on the legal response to sexual abuse of older women in BC and recommendations for reforms in substantive law, procedure and evidence **\$19,800**

*John Howard Society of British Columbia:* A report on how legal rights are afforded to youth detained outside of youth custody centres in BC **\$17,500**

*Canadian Research Institute for Law and the Family:* An evaluation of the Clicklaw Wiki-book *JP Boyd on Family Law* **\$17,000**

*University of British Columbia, Efrat Arbel:*

Research into how tort law applies to the law and practice of solitary confinement in Canadian prisons **\$17,000**

*University of Victoria, Freya Kodar:* An assessment of whether recent regulatory responses to consumer vulnerability in the financial markets are adequate, and proposed alternatives **\$8,700**

### **The Foundation for Legal Research**

Research on various legal issues, with an emphasis on research with practical applications **\$20,000**

## **LEGAL AID**

### **Legal Services Society**

Support for the BC legal aid plan and to provide legal information to low-income people **\$2,955,000**



*Mark Benton, QC, chief executive officer, Legal Services Society*

## **Community-Based Advocacy**

### **Poverty Law Advocacy Services**

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

#### **First United Church Community Ministry Society**

Vancouver's Downtown Eastside **\$175,000**

#### **Abbotsford Community Services Society**

Abbotsford, Mission, Chilliwack and Hope areas **\$150,000**

#### **Together Against Poverty Society**

Greater Victoria area **\$150,000**

### **Nelson Cares Society**

West Kootenay region **\$80,000**

### **Active Support Against Poverty Society**

Prince George area **\$75,000**

### **Contact Women's Group Society**

Williams Lake area **\$75,000**

### **Dze L K'ant Friendship Centre Society**

Smithers area **\$75,000**

### **Fort St. John Women's Resource Society**

Fort St. John area **\$75,000**

### **Haida Gwaii Legal Project Society**

Haida Gwaii region **\$75,000**

### **Kamloops and District Elizabeth Fry Society**

Kamloops area **\$75,000**

### **Ki-Low-Na Friendship Society**

Central Okanagan region **\$75,000**

### **Maple Ridge Pitt Meadows Community Services**

Maple Ridge, Pitt Meadows areas **\$75,000**

### **Nanaimo Citizen Advocacy Association**

Nanaimo area **\$75,000**

### **Nicola Valley Community Justice Services Society**

Nicola Valley region **\$75,000**

### **North Shore Community Resources Society**

North Vancouver area **\$75,000**

### **Penticton and Area Women's Centre**

Penticton area **\$75,000**

### **Port Alberni Friendship Center**

Port Alberni area **\$75,000**

### **Powell River Community Services Association**

Powell River area **\$75,000**



*Kathryn Thomson, researcher, University of Victoria Faculty of Law; Joyce Percey, advocate, Powell River Community Services Association; Wayne Robertson, QC, executive director, Law Foundation*





Arden Smith, department manager, South Peace Community Resources Society; Sherri Williams, executive director, Fort St. John Women's Resource Society; Bev Collinson, Aboriginal justice worker, Haida Gwaii Legal Project Society; Linda Locke, QC, executive director, Upper Skeena Counselling & Legal Assistance Society; Linda Mix, program director, Law Foundation; and Jeanette Anderson, assistant executive director, Terrace and District Community Services Society

#### **Quesnel Tillicum Society**

Quesnel area **\$75,000**

**SHARE Family and Community Services**  
Coquitlam, Port Coquitlam, Port Moody,  
Anmore, Belcarra and adjacent areas

**\$75,000**

**Sources Community Resources Society**  
Surrey/White Rock area

**\$75,000**

**Terrace and District Community Services Society**

Terrace area **\$75,000**

**South Peace Community Resource Society**

Dawson Creek area **\$65,000**

**Upper Skeena Counselling & Legal Assistance Society**

Hazelton area **\$60,000**

**Prince Rupert Unemployed Centre Society**

Prince Rupert area **\$45,000**

**Social Health and Economic Development Society**

Bella Coola region **\$40,000**

#### **Specialized Advocacy Services**

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

#### **Community Legal Assistance Society**

Three lawyers to work on poverty law issues **\$390,000**

#### **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

For 2014/2015 fiscal year **\$340,000**

For 2015/2016 fiscal year **\$340,000**

#### **Greater Vancouver Law Students' Legal Advice Program**

A law students' legal advice program operating free clinics in the Greater Vancouver area **\$275,000**

#### **TRAC Tenant Resource & Advisory Centre Society**

A legal information service for tenants and landlords on residential tenancy issues, with an information line available throughout BC **\$225,000**

#### **University of British Columbia, Faculty of Law, Indigenous Community Legal Clinic**

A clinical program for law students providing legal services to the Indigenous community **\$210,000**

#### **Disability Alliance BC Society (formerly BC Coalition of People with Disabilities)**

A specialized advocacy, legal education and referral program for people with disabilities **\$175,000**

#### **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, a telephone service providing legal advice and support for community advocates **\$130,000**

#### **West Coast Domestic Workers' Association**

Advocacy services for live-in caregivers/temporary foreign workers **\$125,000**

#### **MPA — Motivation, Power and Achievement Society**

Courtworkers to assist people with mental illnesses in the criminal justice system **\$110,000**

#### **Abbotsford Community Services Society/Progressive Intercultural Community Services Society**

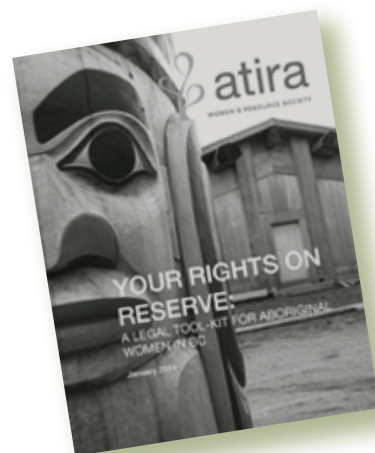
Advocacy services and legal education for seasonal farm workers in the Fraser Valley and Lower Mainland **\$100,000**

#### **BC Centre for Elder Advocacy and Support**

A legal information and advocacy program for older adults in BC **\$100,000**

#### **Atira Women's Resource Society**

Advocacy services for women in Vancouver's Downtown Eastside on poverty, family and criminal law problems **\$75,000**



Booklet for Aboriginal women published in 2014 with funding from the Law Foundation

### **Battered Women's Support Services**

Advocacy services for women in the Lower Mainland who have experienced abuse  
**\$75,000**

### **BC Families in Transition**

An advocacy program providing legal information and assistance on family law issues to south Vancouver Island **\$75,000**

### **CHIMO**

Poverty law advocacy services provided by volunteers **\$75,000**

### **Disability Alliance BC Society (formerly BC Coalition of People with Disabilities)**

An advocacy program on CPP disability issues **\$75,000**

### **MOSAIC**

A legal information and assistance advocacy program for low-income immigrants and refugees in the Lower Mainland **\$75,000**

### **Sources Community Resources Society**

Advocacy services for women in Surrey and the South Fraser area who are dealing with family violence **\$75,000**

## **Public Interest Law**

### **BC Public Interest Advocacy Centre**

Representation of the public interest in regulatory matters and systemic advocacy for disadvantaged people **\$450,000**



*Tannis Braithwaite, executive director, BC Public Interest Advocacy Centre*

### **West Coast Environmental Law Association**

Law reform, legal research, legal education and legal aid promoting the public interest in environmental legal matters **\$425,000**

### **Community Legal Assistance Society**

Test case litigation and other systemic advocacy on behalf of disadvantaged people **\$350,000**

### **BC Civil Liberties Association**

Test case litigation, legal education and law reform to protect the civil liberties and human rights of British Columbians **\$175,000**

### **Ecojustice Canada Society**

Test case litigation on public interest environmental law issues **\$175,000**



*Devon Page, executive director, Ecojustice Canada Society*

### **West Coast LEAF Association**

Legal education, law reform and test case litigation to advance equality for women **\$175,000**

## **Other Legal Aid**

### **Access Pro Bono Society of BC**

Advice and some representation services provided to low-income people by volunteer lawyers **\$415,000**

### **Mediate BC Society**

Programs that promote and support mediation and other dispute resolution services **\$160,000**

### **Multiple Sclerosis Society, BC & Yukon Division**

The Volunteer Legal Advocacy Program providing legal information, advocacy and representation to people with multiple sclerosis **\$55,000**

### **Pro Bono Students Canada, University of British Columbia**

Placement of volunteer law students with public interest organizations in need of legal assistance **\$35,000**



*Kaila Mikkelsen and Tracy Wachmann, on-site supervisors, with Alex Russell and Kevin Hennessy, program coordinators, Pro Bono Students Canada, UBC; Fred Fatt, governor, Law Foundation*

### **Pro Bono Students Canada, University of Victoria**

Placement of volunteer law students with public interest organizations in need of legal assistance **\$30,000**

## **LAW REFORM**

### **BC Law Institute**

Law reform research leading to improvements in the law and the administration of justice **\$280,000**

### **BC Freedom of Information and Privacy Association**

A law reform and public legal education program about freedom of information and privacy legislation **\$80,000**

## **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 **\$2,245,000**

### **Law Society of BC**

Contribution to the operation of the CanLII Virtual Law Library, which includes providing current versions of BC legislation online ([www.bclaws.ca](http://www.bclaws.ca)) for free **\$70,000**

# In the Spotlight

## Indigenous Community Legal Clinic



This year, the clinic, run by the University of British Columbia Faculty of Law, hired a new legal director, Alex Wolf, and an academic director, Patricia Barkaskas. The clinic offers a space in the Downtown Eastside where clients from the Indigenous community feel welcomed to seek support, referral, advice and representation on legal issues. It also supports, encourages and trains law students interested in dealing with a wide range of legal problems facing Indigenous people. Students gain practical experience, but there is also an academic component to work in the clinic that enhances practical experience.

## Executive Directors' Roundtable

In April 2014, the Law Foundation hosted its sixth executive directors' roundtable. Attending the roundtable were 66 executive directors, representing 62 organizations in 26 communities from across BC. The foundation holds the roundtable in alternating years to provide support for the executive directors of the organizations it funds, to encourage networking among organizations and to allow the foundation an opportunity to hear from executive directors around the province about issues that affect them. This year, they participated in a consultation about access to justice and public legal education and information, as well as sessions such as "Best Practices for Management of Funded Organizations" and "Fundraising." Many noted that the opportunity for networking provided by the roundtable was of particular value.



## Systemic Advocacy Workshop



The foundation was pleased to organize and host a one-day workshop attended by executive directors and staff lawyers from 12 public interest groups, 10 of whom are continuing programs of the foundation. There were a number of presentations on topics such as influencing decision makers, making use of pro bono counsel, and how class action lawsuits can be used to advance systemic change. Outside presenters included lawyers engaged in class actions, lawyers who provide pro bono assistance to public interest groups, and a consultant on the use of social media. Feedback from participants was positive and there was interest in future meetings.



# The Law Foundation of 20



The Honourable Suzanne Anton, Attorney General and Minister of Justice; Patrick Kelly, governor, Law Foundation

**45**  
YEARS  
1969 – 2014  
**Anniversary**



Robert Groves and Ron Toews, QC, governors, Law Foundation

*On April 4 of this year, the foundation celebrated its 45th anniversary with the help of approximately 150 grantees, current and former board members, members of the judiciary, MLAs, and other supporters of the foundation.*

*The celebration provided an opportunity for the many groups and individuals in BC who are working on improving access to justice in the province to gather, appreciate the work that has been done and acknowledge those involved over the years.*



The Honourable Chief Justice Christopher E. Hinkson, Supreme Court of BC; Anna Fung, QC, governor, Law Foundation

**105,373**  
**Legal Aid**

105,373 people served by Law Foundation-funded legal aid programs

- 62,511 by legal advocates
- 5,243 by law students
- 1,368 by lawyers
- 7,212 through pro bono lawyers
- 29,039 through the Legal Services Society

\$65 is the average cost per client served by legal advocates

113 test cases worked on or completed

38 regulatory hearings worked on or completed

**906**  
**Professional Legal Education**

906 law students involved in university clinical programs, Circuit Court programs, the Professional Legal Training Course, and public interest work placements and articling positions

Bursaries or fellowships for

- 125 undergraduate law students
- 24 graduate law students



Jo-Anne Kaulius, finance director, marked her 20<sup>th</sup> anniversary with the Law Foundation in 2014



# 14 Highlights

## British Columbia



*Sholto Heberton, QC*



*Johanne Blenkin, executive director, Courthouse Libraries BC; Allan Douglas McDonell, QC; Eugene Raponi, QC, governor, Law Foundation*

## 184,013

### Public Legal Education

80+ publications  
184,013 copies printed  
1,377 workshops/presentations  
34,809 participants

## 62

### Law Reform

62 law reform projects worked on or completed

## 242

### Staffing

180 full-time positions and  
62 part-time positions were  
financed through Law Foundation-  
funded programs.

These include:

- 48 lawyers
- 73 advocates
- 121 other staff

## 30

### Law Libraries

30 law libraries in the province  
20,346 members of the general  
public served  
21,814 lawyers served

## 68

### Legal Research

68 legal research projects funded



*Jamie Maclaren, executive director, Access Pro Bono Society of BC and Vincent Gogolek, executive director, BC Freedom of Information and Privacy Association*



*Kerry Simmons, QC; Ulf Kristiansen, advocate, Prince Rupert Unemployed Centre Society; Judge Steve Merrick; Suzette Narbonne, former governor, Law Foundation*

# Projects

## LEGAL EDUCATION

### Professional Legal Education

#### CBABC

Rural Education and Access to Lawyers initiative \$75,000

#### Community Legal Assistance Society

David Mossop, QC, Public Interest  
Articling Fellowship \$60,000

#### University of British Columbia

Innocence project at UBC Law, a clinical program for individuals convicted of a serious offence who assert their factual innocence:

2014/2015 fiscal year \$50,000

2015/2016 fiscal year \$50,000

#### Law Foundation

Public interest awards to fund second- and third-year students who demonstrate commitment to the public interest combined with academic achievement

*University of British Columbia* \$40,000

*University of Victoria* \$30,000

*Thomson Rivers University* \$20,000

#### Mediate BC Society

Transition grant \$7,000

### Public Legal Education

#### Justice Education Society of BC

Virtual legal help using guided pathways and interactivity on JES Small Claims and Supreme Court self-help websites \$50,000

#### MOSAIC

Workshops on family law for female newcomers in underserved or remote communities \$40,000



Eyob Naizghi, executive director, MOSAIC, speaking at the organization's annual general meeting



Left to right, standing: Deborah Wandal, Kevin Smith, Linda Malek, Genevieve Smith, Maggie Verheyden, Nighat Afsar. Seated: Lin Chen, Martha Jane Lewis, Grace Balbutin, BC Centre for Elder Advocacy and Support

#### Vancouver Coastal Health Authority

Development of a toolkit for transgender people in BC \$35,000

#### West Coast Prison Justice Society

Update of legal education materials and creation of materials on family law and parole for prisoners \$34,000

#### Nenan Dane Zaa Deh Zona Children and Family Services

Creation of accessible, family centred legal education workshops and materials for First Nations, Aboriginal and Métis children and families in the Northeast \$25,000

#### People's Law School Society

Transition grant \$25,000

#### TRAC Tenant Resource & Advisory Centre Society

Reprint of *Tenant Survival Guide* \$20,000

#### Nidus Personal Planning Resource Centre Association

Development of a toolkit on consent and personal planning in BC \$15,000

#### Cerebral Palsy Association of BC

Legal education workshops for people with cerebral palsy \$13,600

#### YWCA Metro Vancouver

Update of *Leaving an Abusive Relationship: Information on Custody and Access for Women with Children* \$13,000

#### West Coast Environmental Law Association

Transition grant \$13,000

#### Land Trust Alliance of British Columbia

Development of legal resources on land trusts in BC \$12,000

#### PovNet

Transition grant \$4,000

## LEGAL AID

### Community-Based Advocacy

#### BC Centre for Elder Advocacy and Support

An Elder Law Clinic to provide assistance and representation on elder law issues \$200,000

#### Vancouver Island North Women's Resource Society

A legal information and assistance advocacy service for low-income people in the Campbell River area \$75,000

#### Vernon Women's Transition House Society

A legal information and assistance project for low-income people in the North Okanagan region \$75,000

### Watari Research Association

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

### Wachiay Friendship Centre

A legal information and assistance advocacy service for low-income people in the Courtenay area  
**\$40,000**

### Tenant Resource and Advisory Centre Society

Transition grant  
**\$12,000**

### West Coast Domestic Workers' Association

Transition grant  
**\$10,000**

### BC Centre for Elder Advocacy and Support

Transition grant  
**\$8,500**

## Public Interest Law

### Community Legal Assistance Society

Creation of self-help materials to help clients and advocates navigating the new Social Security Tribunal  
**\$50,000**

### Environmental Law Centre Society, University of Victoria

An associates program providing pro bono representation services on public interest environmental issues  
**\$25,000**

### Community Legal Assistance Society

Transition grant  
**\$15,000**



Jane Dyson, executive director, Disability Access BC; Jessica Clogg, executive director, West Coast Environmental Law Association; Kendra Milne, staff lawyer, Community Legal Assistance Society

### BC Public Interest Advocacy Centre

Transition grant  
**\$8,000**

## Other Legal Aid

### Access Pro Bono Society of BC

Client intake and summary advice program services  
**\$15,000**

## LAW REFORM

### BC Law Institute

Research into possible reforms of the BC Employment Standards Act  
**\$25,000**

## LEGAL SERVICES SOCIETY/LAW FOUNDATION RESEARCH FUND

### Erin Shaw

Research into dispute resolution processes under the Child, Family, and Community Services Act and its Rules to develop an alternative model  
**\$35,000**

### Mediate BC Society

A workshop to explore the use of a "social lab" approach to addressing access to justice for family law services in BC  
**\$25,000**

### Patricia Byrne

A report on civil law public legal education and information resources in BC, and an analysis of how these are most effectively delivered  
**\$22,500**

### Mediate BC Society

A developmental evaluation research project  
**\$20,000**

## STRATEGIC INITIATIVES FUND

### Ki-Low-Na Friendship Society

A pilot project providing family law services primarily to lower-income families in the Central Okanagan  
**\$150,000**

### Quesnel Tillicum Society

A pilot project providing family law services primarily to lower-income families in Quesnel and surrounding areas  
**\$150,000**

## MISCELLANEOUS GRANTS

Support for organizations to address the following emergent needs recognized throughout the year:

### People's Law School Society

Renovations

### Ecojustice Canada Society

Assistance with development of a technological strategic plan

### Nelson Cares Society

Transition grant

### Terrace and District Community Services

Forum for Northwest frontline workers on income assistance and housing issues



Stacey Tyers, advocate; Marilyn Lissimore, executive director, Terrace and District Community Services

### Pentiction and Area Access Society

Replacement of phone system

### Together Against Poverty Society

Replacement of phone system

### Haida Gwaii Legal Project Society

Upgrading computer system

### Maple Ridge/Pitt Meadows Community Services

Upgrade of computer system and printer

### Abbotsford Community Services Society

New computer

### Sources Community Resources Society

New computer

**Total Miscellaneous Grants \$47,080**



# Spotlight — Farewells

## David Mossop, QC

David Mossop, QC, retired from the Community Legal Assistance Society (CLAS) in April 2014 after working on poverty law issues for over 40 years. He practised in the areas of poverty, administrative, human rights and constitutional law, and represented clients in courts up to the Supreme Court of Canada several times over his career. He was appointed Queen's Counsel in 1999 and elected as a bencher in 2008. He was awarded the Social Justice Award in 1990, the Special Award of the Federated Anti Poverty Groups of BC in 1996, and the Special Recognition Award of the Regional Immigrant and Visible Minority Women of BC in 1998.



*David Mossop, QC, retiring staff lawyer, Community Legal Assistance Society*

## Susan Henry and Janet Berry

Susan Henry and Janet Berry, poverty law advocates at First United Church, both retired this year. Janet worked at First United for 14 years and Susan for 17 years. Both Susan and Janet helped many grateful clients with a variety of issues, and supported their community in other ways. Janet worked on the planning committee and as a resource person for the Legal Advocacy Training Network, and as a PovNet instructor. Susan was the first Community Justice Scholar at UBC in 2008, doing research on debt and legal literacy issues.



*Susan Henry and Janet Berry, advocates, First United Church*

## Calvin Tompkins

Calvin Tompkins worked as the auditor for the Law Foundation for 45 years before retiring this year. In fact, Mr. Tompkins has been the Law Foundation's auditor since its inception. He became a chartered accountant in 1969, the same year that the Law Foundation was formed, and during his career served a wide variety of small- to medium-sized businesses and non-profit organizations. He retired as a partner at the accounting firm of Tompkins, Wozny, Miller and Company this year, and we wish him all the best in his retirement.



*Calvin Tompkins, auditor, Tompkins, Wozny, Miller & Co., Chartered Accountants*

### Law Foundation Staff

*as of December 31, 2014*

**karima budhwani**, program director

**JoAnne Kaulius**, finance director

**Linda Mix**, program director

**Sandra Morgenstern**, program assistant

**Wayne Robertson, QC**, executive director

**Veenu Saini**, program director

**Michael Seaborn**, program director

**Lois Shelton**, legal advocate training manager

**Leona Stewart**, executive assistant

**Amy Tam**, program assistant



# Financial Statements 2014

## Independent Auditor's Report

December 31, 2014



### To the Governors of The Law Foundation of British Columbia

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, 2014, 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.

### Auditor's 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, 2014, 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.

*Tompkins, Wozny, Miller & Co.*

Chartered Accountants

Vancouver, Canada March 7, 2015

***TOMPKINS, WOZNY, MILLER & CO.***  
Chartered Accountants

## Statement of Financial Position

The Law Foundation of British Columbia

As at December 31

	2014 \$	2013 \$
<b>ASSETS</b>		
Cash	2,410,690	941,557
Investments [note 4]	44,976,034	44,777,488
Prepaid expenses and other	42,041	77,776
Property and equipment [note 5]	17,075	12,141
	47,445,840	45,808,962

### LIABILITIES AND NET ASSETS

#### Liabilities

Accounts payable and accrued liabilities [note 6]	131,785	133,349
Child Welfare Fund [note 7]	19,000	19,000
Legal Services Society/ Law Foundation Research Fund [note 8]	2,345,540	2,255,515
Grants payable [note 9]		
— within one year	12,474,653	13,792,035
— long term	1,649,500	1,843,755
<b>Total liabilities</b>	<b>16,620,478</b>	<b>18,043,654</b>

#### Net assets

Equity in property and equipment	17,075	12,141
Grant stabilization fund [note 10]	30,808,287	27,753,167
<b>Total net assets</b>	<b>30,825,362</b>	<b>27,765,308</b>
	47,445,840	45,808,962

Commitment [note 14]

See accompanying notes to the financial statements



Governor



Governor

## Statement of Changes in Net Assets

Year ended December 31

	EQUITY IN PROPERTY AND EQUIPMENT \$	GRANT STABILIZATION FUND \$	NET ASSETS \$
<b>2014</b>			
Balance, beginning of year	12,141	27,753,167	27,765,308
Increase (decrease) in net assets for the year	(9,464)	3,069,518	3,060,054
Acquisition of property and equipment	14,398	(14,398)	—
	17,075	30,808,287	30,825,362

#### 2013

Balance, beginning of year	26,116	31,687,242	31,713,358
Decrease in net assets for the year	(17,818)	(3,930,232)	(3,948,050)
Acquisition of property and equipment	3,843	(3,843)	—
	12,141	27,753,167	27,765,308

See accompanying notes to the financial statements

## Statement of Operations

Year ended December 31

	2014 \$	2013 \$
<b>INCOME</b>		
Interest received on lawyers' trust accounts	16,576,955	14,219,722
Investment income (net) [note 11]	3,803,173	1,438,159
Unclaimed trust funds and other income [note 12]	635,352	363,816
	21,015,480	16,021,697
Child Welfare Fund	—	21,000
	21,015,480	16,042,697
<b>EXPENSES</b>		
Audit and annual report	47,704	55,486
Consulting and legal	66,241	103,213
Meetings and travel	131,249	159,280
Office and other	123,696	106,200
Rent and occupancy costs	221,761	215,825
Salaries and employee benefits	987,157	1,088,254
Amortization of property and equipment	9,464	17,818
	1,587,272	1,746,076
Child Welfare Fund	—	21,000
	1,587,272	1,767,076
<b>Net income before grants approved</b>	<b>19,428,208</b>	<b>14,275,621</b>
<b>Program and project grants approved</b> [note 13]	<b>16,492,180</b>	<b>18,506,588</b>
Less program and project grants refunded or unused	124,026	282,917
	16,368,154	18,223,671
<b>Increase (decrease) in net assets for the year</b>	<b>3,060,054</b>	<b>(3,948,050)</b>

See accompanying notes to the financial statements

## Statement of Cash Flows

Year ended December 31

	2014 \$	2013 \$
<b>OPERATING ACTIVITIES</b>		
Interest received on lawyers' trust accounts	16,576,955	14,219,722
Investment income realized (net)	1,128,069	1,635,214
Unclaimed trust funds and other income received	635,352	392,558
Expenses paid	(1,546,070)	(1,782,431)
Child Welfare Fund — grants paid (net)	(10,000)	(32,667)
Program and project grants paid (net)	(17,850,197)	(19,397,601)
<b>Cash used in operating activities</b>	<b>(1,065,891)</b>	<b>(4,965,206)</b>
Research fund activities (net)	70,431	12,425
Funds administered for others (net)	2,433	12,374
	(993,027)	(4,940,406)
<b>INVESTING ACTIVITIES</b>		
Property and equipment purchased	(14,398)	(3,843)
Sale of investments (net)	2,476,558	5,578,608
<b>Cash provided by investing activities</b>	<b>2,462,160</b>	<b>5,574,765</b>
<b>Increase in cash for the year</b>	<b>1,469,133</b>	<b>634,359</b>
Cash, beginning of year	941,557	307,198
<b>Cash, end of year</b>	<b>2,410,690</b>	<b>941,557</b>

See accompanying notes to the financial statements

## Notes to Financial Statements

The Law Foundation of British Columbia

December 31, 2014

### 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 education, legal research, legal aid, law reform 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:

#### **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 consist of money market, bond and equity funds [note 4] comprised of stocks and bonds that are traded on stock exchanges by the fund managers.

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 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.

#### **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.

#### **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.

The statement of cash flows is prepared on a net cash basis, and cash flows from operating activities are presented using the direct method.

## 3. FINANCIAL INSTRUMENTS

The foundation's financial instruments consist of cash, 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, which are measured at fair 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 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.

#### 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.

## 4. INVESTMENTS

MARKET VALUE	2014 \$	2013 \$
CC&L Group Money Market Fund A — 136,814 units [2013 — Nil units]	1,368,138	—
CC&L High Yield Bond Fund I — 316,240 units [2013 — 525,286 units]	3,259,584	5,368,113
CC&L Equity Income & Growth I Fund — 631,814 units [2013 — 709,578 units]	7,027,038	8,282,053
CC&L Bond Fund A — 3,083,933 units [2013 — 3,034,325 units]	33,321,274	31,127,322
	44,976,034	44,777,488

The foundation owns 0.3% [December 31, 2013 — 0%] of the units of the CC&L Group Money Market Fund A, 5.0% [December 31, 2013 — 6.7%] of the units of the CC&L High Yield Bond Fund I, 10.0% [December 31, 2013 — 6.6%] of the units of the CC&L Equity Income & Growth I Fund and 2.1% [December 31, 2013 — 2.3%] of the units of the CC&L Bond Fund A.

The CC&L Group Money Market Fund A consists of short-term Canadian bonds that make up approximately 100.0%, the CC&L High Yield Bond Fund I consists of Canadian bonds and debentures that make up approximately 25.9% [December 31, 2013 — 33.9%] of its portfolio, and international bonds, debentures and other foreign content that make up approximately 74.1% [December 31, 2013 — 66.1%] of its portfolio. The CC&L Equity Income & Growth I Fund consists of Canadian equities that make up approximately 92.1% [December 31, 2013 — 93.7%] of its portfolio and foreign equities that make up approximately 7.9% [December 31, 2013 — 6.3%] of its portfolio. The CC&L Bond Fund A consists of Canadian government and corporate bonds and debentures that make up approximately 98.3% [December 31, 2013 — 96.9%] of its portfolio, and international bonds, debentures and other foreign content that make up approximately 1.7% [December 31, 2013 — 3.1%] of its portfolio.

At December 31, 2014, the average yield on all the investments was 9.70% [December 31, 2013 — 3.60%].

The foundation's investment policy allows for Canadian equities and high yield bonds of up to 35% of the market value of its portfolio and short-term bonds of up to 20% of the market value of its portfolio, with universe bonds and short-term investments making up the remainder.

## 5. PROPERTY AND EQUIPMENT

	<b>COST</b> \$	<b>ACCUMULATED AMORTIZATION</b> \$	<b>NET BOOK VALUE</b> \$
<b>2014</b>			
Leasehold improvements	—	—	—
Furniture and equipment	26,249	15,793	10,456
Computers and accessories	29,618	22,999	6,619
	55,867	38,792	17,075
<b>2013</b>			
Leasehold improvements	123,027	123,027	—
Furniture and equipment	16,505	12,746	3,759
Computers and accessories	29,068	20,686	8,382
	168,600	156,459	12,141

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<b>2014</b> \$	<b>2013</b> \$
Operating	82,081	86,282
Funds administered for others	37,916	35,483
Government remittances — payroll taxes	9,778	9,401
— WorkSafeBC	2,010	2,183
	131,785	133,349

## 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 2012. In 2013, an additional grant of \$20,000 was received and \$21,000 was spent, leaving a balance of \$19,000.

## 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 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.

	<b>2014</b> \$	<b>2013</b> \$
Research fund, beginning of year	2,255,515	2,396,774
Direct expenses	(10,157)	(418)
Grants — approved	(102,500)	(230,200)
— returned to fund	7,255	16,318
Investment income allocated [note 11]	195,427	73,041
	2,345,540	2,255,515

## 9. GRANTS PAYABLE

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

	2014 \$	2013 \$
Opening grants payable	15,635,790	16,687,703
Grants approved		
— Law Foundation of BC [note 13]	16,492,180	18,506,588
— Child Welfare Fund	—	21,000
— LSS/LF Research Fund	102,500	230,200
Payments		
— Law Foundation of BC	(17,850,197)	(19,397,601)
— Child Welfare Fund	(10,000)	(52,667)
— LSS/LF Research Fund	(114,839)	(60,198)
Grants refunded or unused		
— Law Foundation of BC	(124,026)	(282,917)
— LSS/LF Research Fund	(7,255)	(16,318)
Ending grants payable	14,124,153	15,635,790
Less portion payable within one year	(12,474,653)	(13,792,035)
	1,649,500	1,843,755
2014	—	13,792,035
2015	12,474,653	1,708,755
2016	1,559,500	135,000
2017 – 2018	90,000	—
	14,124,153	15,635,790
Less portion payable within one year	(12,474,653)	(13,792,035)
Long term grants payable	1,649,500	1,843,755

## 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)

Investment income (net) comprises:	2014 \$	2013 \$
Interest and dividends earned	1,440,711	1,830,832
Write-up (write-down) of investments to market value	1,202,262	(1,211,612)
Gain on sale of investments	1,472,842	1,014,557
Investment advisory fees	(117,215)	(122,577)
	3,998,600	1,511,200
Less investment income allocated to the research fund [note 8]	(195,427)	(73,041)
	3,803,173	1,438,159

## 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 2014 was \$342,074 [2013 — \$194,106].

### 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 \$47,200 is to be paid towards the rent for the Access Pro Bono Society of BC. The amount received in 2014 was \$332,360, allocated \$39,333 (adjusted for amounts paid in 2013) to rent, \$60,000 to access to justice initiatives and \$233,026 to pro bono initiatives. The total other income received for 2014 was \$293,026 [2013 — \$169,382].

## 13. PROGRAM AND PROJECT GRANTS APPROVED

	2014 \$	2013 \$
Major continuing program and project grants in excess of \$1,000,000 were made to:		
Legal Services Society of BC	2,955,000	3,739,750
BC Courthouse Library Society	2,245,000	2,737,750
Community Legal Assistance Society	995,000	1,010,740
Other continuing program grants	8,810,000	8,993,320
Other project grants	1,487,180	2,025,028
	16,492,180	18,506,588

## 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 GST, until April 30, 2023, for its office premises. The required payments are as follows:

	ANNUAL RENT PAYMENTS \$	TOTAL RENT COMMITMENT \$
2015 – 2017 (3 Years)	114,160	342,480
2018 (1 Year)	129,381	129,381
2019 – 2022 (4 Years)	136,992	547,968
2023 (4 Months)	—	45,664
		1,065,493

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**On the front cover**

Upper photo from left to right  
Tamara Hunter, board chair; Margaret  
Sasges, QC, former board chair;  
Heather Raven, QC, former board chair,  
Law Foundation

Centre photo from left to right  
Eileen Vanderburgh, governor;  
Michael Seaborn, program director,  
Law Foundation; Anne Fletcher,  
advocate, Social Health and Economic  
Development (SHED) Society

Lower photo from left to right  
Susan Cameron, board chair and  
Andrew Sakamoto, executive director,  
TRAC Tenant Resource & Advisory  
Centre Society; Anita Dalakoti,  
governor, Law Foundation



**Board of Governors**

*As of December 31, 2014*

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*Special Needs Fund Committee (Chair)*

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Photographs: Brian Dennehy, Linda Mix, Sandra  
Morgenstern, Mike Seaborn and Lois Shelton

Coordination and editing: Winnifred Assmann  
and Ben D'Andrea, All About Writing

Design and production: Linda Coe Graphic Design Limited

Printed in Canada on recycled paper