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

2013 was a challenging year at the Law Foundation. As a result of ongoing low interest rates that have significantly reduced foundation income, the Law Foundation decided to reduce its grants budget from almost $20 million to $16 million per year for 2014 and beyond. Project funding has been consolidated into one fund of $330,000 (down from $900,000 in the past). These decisions were not taken lightly, and followed an extensive funding strategies review process, a rationalization of advocacy program amounts, and consideration of input from Law Foundation-funded organizations.
Finances

Interest rates affect foundation income because the rate paid on lawyers’ pooled trust accounts is pegged to the prime rate. For six years, the foundation has drawn on its grant stabilization fund to maintain funding for grantees. In 2013, this draw-down was almost $4 million and the draw-down in 2014 will likely be $5 million.

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 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 reset so the fund would not fall below one year’s budget.

The governors discussed a number of principles to guide the re-budgeting work. These principles included:

- fulfilling the foundation’s statutory mandate;
- the foundation remaining a stable and effective organization;
- producing the greatest value to the poor;
- the importance of delivering services to disadvantaged people;
- giving a direct benefit to the public of Law Foundation funding;
- providing the maximum benefit to British Columbia;
- minimizing, as much as possible, any lasting harm to grantees; and
- taking into account alternate funding that may be available to grantees.

The foundation conducted funding strategies review processes in a number of its mandate areas, including public legal education, professional legal education, public interest law and legal research.

The foundation’s review process involved asking this question: “Is the Law Foundation funding the right groups to do the right work with the right amount of money?” The impact and outcomes of foundation-funded programs were examined. Grantees that provide direct services to the public were identified by the board as the foundation’s priority.

The new annual grants budget of $16 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. There is no desire to engage in such a significant budget-cutting process again in future, so the board has worked hard to achieve a level of funding that will hopefully provide stability for some years to come.

Grants

In 2013, the foundation assessed 243 applications for funding, and approved over $18.5 million in funding for 76 continuing programs and 60 other grants (15 project, 12 on-track and 33 other grants). Recognizing the need for ongoing work in the community in our five statutorily mandated areas, over $16.3 million of this amount was allocated to continuing programs. A further $250,000 was allocated from the Child Welfare Fund and the Legal Services Society/Law Foundation Research Fund.

Highlights of Law Foundation-funded work in 2013 included:

- over 89,000 people received legal information, advice, summary service or representation from foundation-funded advocates or lawyers, in all regions of the province;
- over 100 test cases or regulatory hearings were completed;
- almost 550 law students were supported;
- over 135,000 hard copies of legal education resources were distributed;
- law libraries continued to serve the profession and the public;
- significant law reform and research work was done; and
- family law and poverty law advocates’ conferences were held (both with the Legal Services Society).

A positive development in 2013 was the Law Society of BC’s decision to significantly increase its funding for access to justice and pro bono initiatives, for which the foundation is thankful.

Priorities in 2014

In 2014, some of the foundation’s priorities include:

- pursuing other sources of revenue, especially class action cy pres awards;
- conducting a funding strategies review of non-poverty-law advocacy groups;
Ms. Daroux has a strong record of service to her community and the profession. Some of her experience includes serving as a member of the Mental Health Review Board, chair of the Continuing Legal Education Society of British Columbia and president of the Kootenay Bar Association.

Ms. Vanderburgh, Law Society appointment for the county of Vancouver, was called to the Bar in 1991. A partner with the firm of Alexander Holburn Beaudin and Lang, she leads their Information and Privacy Practice Group, and is also involved with labour, employment, municipal and health law matters. She has been on the executive of the CBA Administrative Law Subsection, and has a rich variety of experience, including in the not-for-profit sector.

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 one last time in 2014 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.
- To adhere to the 10% administrative costs guideline for its own operations, the foundation reduced its staff by two.
- Based on current projections, the foundation does not expect to reduce its grants budget below $16 million in 2015.

2013 has been a difficult year for access to justice in BC, for the foundation, and also, we know, for our grantee community. I would like to thank our grantees, their staff and their boards for the important work they have done this past year, and for their patience and understanding as the Law Foundation went through its budget planning process.

In closing, I would like to thank the board of governors and the staff of the Law Foundation for their hard work and their support.

Tamara Hunter
Chair 2013
Profile

The mandate, mission statement, vision and values have been adopted by the board of governors as policy guidelines. In 2009, the board set strategic priorities for the next five years. These are the principles upon which funding decisions are based.

Mandate

Our legislative mandate is to fund legal education, legal research, legal aid, law reform and law libraries for the benefit of British Columbians.

Mission Statement

*To advance and promote a just society governed by the rule of law, through leadership, innovation and collaboration.*

Vision

A society where access to justice is protected and advanced.

Values

- Integrity
- Diversity
- Respect
- Sustainability

Strategic Priorities 2010 – 2015

- Maintain and improve Law Foundation finances.
- Provide support for Law Foundation grantees.
- Continue the ongoing evaluation of Law Foundation programs and projects.
- Research and address gaps in access to justice in BC — sectoral and substantive.
- Develop new programs and initiatives.

Purpose

British Columbia led the way in 1969 when it established the first law foundation in North America. Since then, every other jurisdiction in North America has followed BC’s lead by establishing a law foundation.

The Law Foundation of BC is a non-profit foundation created by legislation to receive and distribute the interest on clients’ funds held in lawyers’ pooled trust accounts maintained in financial institutions. Pooled trust accounts are used to hold client funds for short periods, until it becomes feasible to distribute those monies to the client or others. Typically, some funds held in this way are purchase monies in real estate transactions, while others are retainers, settlement proceeds, estate funds, etc.

Because of the difficulty and cost of ascertaining how much interest in pooled trust accounts was attributable to each client’s funds, and because the amount of interest related to each client was usually small, for many years financial institutions paid no interest on these accounts, although the total funds in the pooled account might be substantial. As a result, the financial institutions profited from the use of the funds in the pooled trust accounts without charge.

British Columbia lawyers pioneered a change to this practice in 1969 when they persuaded the provincial government to enact legislation requiring financial institutions to pay interest on these pooled trust accounts to the Law Foundation, which would then use the interest to benefit the public of British Columbia.

The legislation directed the Law Foundation to distribute these funds in five areas:

- legal education
- law reform
- legal research
- law libraries
- legal aid

The foundation recognizes that, while its objects are legal in nature, the income is to be allocated to programs that will benefit the general public of British Columbia.

From its inception through 2013, the Law Foundation has approved grants totalling over $496 million to support important law-related programs in British Columbia.

Administration

The Law Foundation is administered by a board of governors (the board), which is responsible for making all decisions concerning grants. It has 18 volunteer members:

- the Attorney General (or his/her appointee);
- 3 persons, not lawyers, appointed by the Attorney General;
- 12 members of the Law Society or the judiciary appointed by the benchers to represent geographical areas of the province; and
- 2 members of the Law Society appointed by the BC Branch 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.

**How Grants Are Made**

The Law Foundation’s funds are used for the purposes of legal education, legal research, legal aid, law reform and law libraries. A grant application must fall within one or more of these categories to be considered for funding support, and it must establish that it will result in a clear benefit to the people of British Columbia. Grants are normally restricted to not-for-profit organizations.

The foundation sets its grant budget and funding guidelines on an annual basis. Those seeking grant support are urged to discuss their proposals with foundation staff before committing time and resources to put together funding requests. If a project appears to fit within the mission statement, program objectives and funding guidelines for that year, a formal proposal with more detailed information will be requested.

Application deadline dates can be obtained by contacting the Law Foundation.

**Program Objectives**

The Law Foundation seeks to ensure access to justice through its program objectives, which are:

1. **Legal Education**

To promote legal education programs and services in British Columbia to make the law more accessible through:
   a. increasing public awareness of the law and the justice system;
   b. providing education to groups with particular legal needs; and
   c. assisting in the academic and professional development of those providing legal services to ensure those services are of the highest quality.

2. **Legal Research**

To advance the knowledge of:
   a. law,
   b. social policy and
   c. the administration of justice through the identification of areas and issues needing study and analysis and the encouragement and support of projects to address those needs.

3. **Legal Aid**

To assist in the provision of legal services, including:
   a. advice to and representation of economically disadvantaged persons; and
   b. support of community service and non-profit organizations that address issues that benefit groups of disadvantaged persons or the public.

To facilitate public access to the justice system. Legal aid includes the Legal Services Society, community-based advocacy, public interest law and other legal aid.

4. **Law Reform**

To encourage and support projects promoting changes to the law and the administration of justice in accord with current knowledge, values and technology.

5. **Law Libraries**

To assist law libraries and resource centres to keep their materials current.

To encourage and support projects designed to improve the utility and accessibility to both the legal profession and the public of legal and law-related materials.
Programs and Projects Funded in 2013

The Law Foundation provides support for the law-related programs and projects described in this 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.

Continuing Programs

LEGAL EDUCATION

Professional Legal Education

Law Society of BC

The Professional Legal Training Course, a skills-based training program for recent law school graduates, to develop competent lawyers to serve the public $257,180

Law Foundation

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

Mediate BC Society

Programs that serve the public and support mediators and other dispute resolution practitioners $200,000

University of British Columbia, Faculty of Law

Graduate fellowships $60,000
Public interest work placements $45,000
Undergraduate scholarships $29,000
Entrance awards for disadvantaged students $13,500

University of Victoria, Faculty of Law

Public interest work placements $65,000
Graduate scholarships $30,000
Entrance scholarships $29,000

Law Foundation

Public interest articling fellowships that allow students to work at non-profit organizations Community Legal Assistance Society $60,000

Law Reform

Graduate fellowships for graduate legal studies by BC lawyers and graduates of BC law schools $45,000

Megan Kammerer: Research on international human rights and gender-based crimes

Paige Morrow: Research on the intersection between mining, oil and gas extraction and human rights

Robyn Trask: Studies in international human rights, labour law, equality rights and the rights of women

University of Saskatchewan, Native Law Centre

A program for Aboriginal students planning to enter law school, and the centre’s research and publishing on Aboriginal legal issues $20,600

Provincial Court of British Columbia

A program that allows law students participating in Provincial Court judicial internships to attend circuit courts around BC $20,000

Public Legal Education

People’s Law School Society

Province-wide legal information and education programs $288,640

BC Branch of the Canadian Bar Association (CBABC)

The Lawyer Referral Service providing low-cost legal information and assistance; Law Week 2013; and Dial-A-Law, a province-wide telephone service providing free legal information $279,310
Justice Education Society of BC
Programs to provide legal education and information about the justice system for the public $150,000

PovNet Society
An online poverty resource and networking tool that includes PovNetU online courses $110,000

Justice Education Society of BC
The Northern Public Legal Education Program for First Nations youth in Prince George and area $76,000

Debate and Speech Association of BC
Participation of high school students in the province-wide Law Foundation Cup Debates on legal topics $20,000

**LEGAL AID**

| Legal Services Society | Support for civil legal aid and to provide legal information to low-income people | $3,599,750 |

| Community Connections Society of Southeast BC | East Kootenay region | $85,000 |
| 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 |

Henriette Chabot, advocate, Kettle Friendship Society; Agnes Huang, lawyer and speaker; Veenu Saini, program director, Law Foundation; Zara Suleman, lawyer and speaker; Amber Prince, advocate, Atira Women’s Resource Society; Mary Mouat, QC, lawyer and speaker, gather during the 2013 Family Law Conference co-sponsored by the Law Foundation and the Legal Services Society

**LEGAL RESEARCH**

| Law Foundation | Support for civil legal aid and to provide legal information to low-income people | $3,599,750 |

| Peter Gall: Study of the “incubator firm model” for low-cost legal services | $20,000 |
| Simon Fraser University, Ted Palys: Understanding Aboriginality and access to justice | $19,580 |
| Lawyers Rights Watch: International legal obligations to provide legal aid | $18,000 |
| University of the Fraser Valley, Hayli Millar, Tamara O’Doherty: The evolution of human rights anti-trafficking laws in Canada | $18,000 |
| University of British Columbia, Benjamin Perrin: Enhancing access to justice for victims of crime | $15,420 |
| Thompson Rivers University, Dr. Chris Hunt: Canada’s privacy torts in a comparative common law perspective | $9,000 |

| Community-Based Advocacy | Support for civil legal aid and to provide legal information to low-income people | $3,599,750 |

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

| Together Against Poverty Society | Greater Victoria area | $168,000 |
| Abbotsford Community Services Society | Abbotsford, Mission, Chilliwack and Hope areas | $150,000 |

| Kim Lewis, advocate, Haida Gwaii Legal Project Society; James Bond, QC, governor, Law Foundation; Elizabeth Moore and Bev Collinson, advocates, Haida Gwaii Legal Project Society | Support for civil legal aid and to provide legal information to low-income people | $3,599,750 |
Upper Skeena Counselling & Legal Assistance Society  
Hazelton area  
$55,000

Prince Rupert Unemployed Centre Society  
Prince Rupert area  
$45,000

West Coast Domestic Workers’ Association  
A specialized advocacy service and legal education program for live-in caregivers  
$179,650

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

University of British Columbia, Faculty of Law, Indigenous Community Legal Clinic (formerly known as First Nations Legal Clinic)  
A clinical program for law students providing legal services to the Indigenous community  
$210,000

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  
$140,000

BC Centre for Elder Advocacy and Support  
A legal information and advocacy program for older adults in BC  
$112,500

SPECIALIZED ADVOCACY SERVICES
The following advocacy programs provide services in specific areas of law or to particular constituencies.

Community Legal Assistance Society  
Three lawyers to work on poverty law issues  
$395,500

University of Victoria, Faculty of Law, Law Centre Clinical Program  
A clinical program for law students providing legal services to low-income people in the Greater Victoria area  
$359,800

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

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  
$297,490

Sources Community Resources Society  
Surrey/Delta/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

Gillian Andrew, advocate in Powell River since 2007, retired in 2013 after almost 40 years working as either a lawyer or advocate on poverty law issues
Abbotsford Community Services Society/Progressive Intercultural Community Services Society
Advocacy services for seasonal farm workers $100,000

BC Families in Transition
An advocacy program providing legal information and assistance on family law issues to south Vancouver Island $90,000

Atira Women’s Resource Society
Advocacy services for women in Vancouver’s Downtown Eastside on poverty, family and criminal law problems $75,000

Battered Women’s Support Services
Advocacy for women in the Lower Mainland who have experienced abuse $75,000

CHIMO
Poverty law advocacy services provided by volunteers $75,000

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

Public Interest Law
West Coast Environmental Law Association
Law reform, legal research, legal education, legal aid and resources on environmental legal matters $75,000

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

Community Legal Assistance Society
Test case litigation and other systemic advocacy for disadvantaged people $411,000

Josh Patterson, executive director, BC Civil Liberties Association

BC Civil Liberties Association
Test case litigation, legal education and law reform to protect the civil liberties and human rights of British Columbians $313,600

West Coast LEAF Association
Legal education, law reform and test case litigation to advance equality for women $167,550

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

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

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 $280,600

BC Freedom of Information and Privacy Association
Law reform, legal research, public legal education and assistance with freedom of information and privacy legislation $70,000

LAW LIBRARIES

BC Courthouse Library Society (Courthouse Libraries BC)
Services that give lawyers and the public in BC access to legal information, as well as training and support in finding and using legal information $2,737,750

Law Society of BC
Contribution to the operating costs of the CanLII Virtual Law Library, which includes providing current versions of BC legislation online (www.bclaws.ca) for free $71,500

Law Foundation staff (from left to right): Lois Shelton, legal advocate training manager; Amy Tam, program assistant; Michael Seaborn, program director; Linda Mix, program director; Jo-Anne Kaulius, finance director; Karima Budhwani, program director; Stephanie Allesia, program assistant; Leona Stewart, executive assistant; Wayne Robertson, QC, executive director; Veeni Saini, program director. Not in photo: Sandra Morgenstern, program assistant (maternity leave)
In 2013, the BC Coalition of People with Disabilities (BCCPD) celebrated 35 years of community advocacy. Throughout its history, the coalition’s main goal has been to facilitate the full participation in society of people with disabilities by promoting independence and a self-help model. To achieve this goal, the coalition lobbies government, promotes public awareness, conducts individual and group advocacy, and serves on government panels and committees to ensure that issues are addressed. To celebrate its anniversary, the BCCPD board and staff organized a party and hosted a sold-out gala at the Holiday Inn, Broadway. A gathering of friends, old and new, came together to enjoy accomplishments, reminisce and contemplate future plans. Many BCCPD key funders attended, including the Law Foundation of BC. Community partners also came out to support BCCPD and wish them continued success in their invaluable work. The event was such a success that BCCPD plans to hold similar fundraisers annually.

In the Spotlight

British Columbia Coalition of People with Disabilities

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Arthur Harper, QC, and The Honourable Kenneth Meredith: Law Foundation pioneers

In 1969, Arthur Harper, QC, and Kenneth Meredith worked together to spearhead the movement to create a law foundation in BC. They first heard of the idea in 1967 when Charles Brazier, QC, visited Australia and learned that in New South Wales, a foundation existed that received interest on lawyers’ trust accounts and used that money to develop a fair justice system. On April 1, 1969, the Legal Professions Act was amended to create the Law Foundation of BC to fund the five mandate areas of legal aid, legal education, legal research, law reform and law libraries. Since that time, the foundation has issued grants totalling over $496 million. Arthur Harper, QC, became the first chair of the Law Foundation of BC (1969 – 1975) and Kenneth Meredith was a member of the first board (1969 – 1972).

In the more than 40 years since they set up the Law Foundation of BC, both men continued their work for the BC legal community. Mr. Harper served for many years as a Bencher and was Treasurer of the Law Society in 1968. In 2007, he received his 70-year certificate from the Law Society of BC. In 1973, Mr. Meredith became a justice on the BC Supreme Court, where he served for 20 years. He also worked for 10 years as the editor of The Advocate and was also a Bencher. In 2002, Mr. Meredith received the Law Society Award.

The Law Foundation and those who benefit from its funding continue to be grateful for the pioneering work done by Mr. Harper, QC, and Mr. Meredith. Although Mr. Meredith died at the end of 2012 and Mr. Harper in the spring of 2013, their contributions will live on.
## Projects

### LEGAL EDUCATION

#### Professional Legal Education

**Thompson Rivers University**
- Entrance scholarships (five year-long grants of $30,000 each) $150,000
- Block grant for education and research projects (five year-long grants of $15,000 each) $75,000
- Clinical legal education for TRU Faculty of Law $60,000

**CBABC**
- Phase Three of the Rural Education and Access to Lawyers initiative $50,000

**University of British Columbia**
- Law Foundation Awards for UBC JD program students who show financial need and academic merit $50,000

**Fraser Thompson Indian Services Society**
- A guide and workshops about Aboriginal communities and CFCSA issues $40,000

**Mediate BC Society**
- Transition costs $25,000

**University of Victoria**
- Law Foundation Awards for UVic JD program students who show financial need and academic merit $25,000

**Penticton Area Access Centre Society**
- Aboriginal Law Conference 2013 $10,000

### LEGAL RESEARCH

**West Coast LEAF Association**
- Research on legal responses to address hate speech directed at women on the Internet (cyber misogyny) $60,000

**Foundation for Legal Research**
- Research on various legal issues, with an emphasis on research with practical applications $20,000

### LEGAL AID

**Legal Services Society**
- Changes to improve accessibility of legal information on the LSS Family Law in BC website $65,000

**Community-Based Advocacy**

**First United Church Community Ministry Society**
- A legal information and advocacy assistance project for low-income people in Vancouver’s Downtown Eastside $175,000

### Other Legal Aid

**Atira Women’s Resource Society**
- A plain-language accessible legal information toolkit for Aboriginal women in BC who have encountered on-reserve legal issues $12,000

**BC Freedom of Information and Privacy Association**
- A reference guide on best practices for academics using the Freedom of Information and Access to Information Act in BC and Canada $14,000

**BC Coalition of People with Disabilities**
- An advocacy project on CPP disability issues $75,000

**Vancouver Island North Women’s Resource Society**
- A legal information and advocacy assistance program 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 advocacy assistance program for low-income people in the Courtenay area $36,000

**Nelson Cares Society**
- Transition grant $11,000

**Kelowna Community Resources**
- Legal information presentations and one-on-one consultations with lawyers for immigrants $9,000

**MOSAIC**
- Transition grant $3,000

**Public Interest Law**

**Ecojustice Canada Society**
- Test case litigation on public interest environmental law issues $200,000

**Environmental Law Centre Society, University of Victoria**
- An Associates Program designed to provide pro bono representation services on public interest environmental issues $50,000

**Sources Community Resources Society**
- A modified legal representation project that will partner with local family law firms to provide unbundled or limited scope representation to economically disadvantaged women $75,000
Access Pro Bono Society of BC
Increased client intake and summary advice program services  $43,200

Yellow Pages Group
Transition grant  $2,300

**LAW REFORM**

The Poverty and Human Rights Centre
Research to promote legislative reform to address BC's framework for human rights  $15,000

**STRATEGIC INITIATIVES FUND**

Legal Services Society
Developing a family law Supreme Court Self-help Resource Kit  $75,000

Denise Barrie Law Corporation
Developing a model for specialized family law advocacy programs in BC  $19,000

Erin Shaw
Research into early neutral evaluation options in family law  $14,000

**MISCELLANEOUS GRANTS**

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

Atira Women's Resource Society
Articling fellowship

BC Families in Transition
Upgrade of computer system

BC Freedom of Information and Privacy Association
Upgrade of computer system and website

CBABC
Session at the Envisioning Equal Justice Summit

Community Legal Assistance Society
Strategic planning for the community and disability law programs

Ending Violence Association of BC
Training on family law and related issues for anti-violence workers

International Society for the Promotion of the Public Interest of Lawyer Independence
Pamphlet on the importance of lawyer independence

People's Law School Society
Attendance at plain language conference

Powell River Community Services Association
Upgrading computer system

Prince Rupert Unemployed Centre Society
Interim staffing for the legal advocacy program

Sources Community Resources Society
Moving costs

University of Victoria
Moving costs

Total Miscellaneous Grants  $99,648

**CHILD WELFARE GRANTS**

Erin Shaw
A youth consultation to identify legal issues and effective approaches for providing legal information and education resources to children and youth  $14,000

BC Representative for Children and Youth
A session at the Champions for Children and Youth 2013 BC Summit on the roles of government and institutions in keeping youth safe and connected  $7,000

**LEGAL SERVICES SOCIETY/LAW FOUNDATION RESEARCH FUND**

Jerry McHale, QC, University of Victoria
Research, consultation and recommendations on access to justice issues  $100,000

Legal Services Society
An evaluation that considered how to provide the most effective service for people dealing with issues arising under the Child and Family Services Act  $100,000

University of Windsor
A three-day Open the Dialogue Conference on issues affecting self-represented litigants  $18,200

Canadian Bar Association
Sponsored sessions at the Envisioning Equal Justice Summit: Building Justice for Everyone  $12,000

The Aboriginal Legal Needs Committee met several times in 2013 to consider how the Law Foundation can effectively support Aboriginal communities. Members of the Committee are (from left to right): Wayne Robertson, QC, executive director; Tamara Hunter, board chair; Fred Fatt, governor; Kelle Maag, QC, governor, Law Foundation; Stacey Tyers, advocate, Terrace and District Community Services Society; Amber Prince, advocate, Atira Women's Resource Society; John Mead, mental health courtworker, MPA-Motivation, Power & Achievement Society; Katrina Harry, lawyer; Andree Harley, advocate, Nicola Valley Community Justice Services; Yolanda Beaudry, advocate, KiLowNa Friendship Society; Linda Locke, QC, lawyer, Upper Skeena Community Legal Assistance Society; Annette Russell, Aboriginal programs manager, Justice Education Society; Cyndi Stevens, executive director, Port Alberni Friendship Centre; Patrick Kelly, governor, Law Foundation; Christa Williams, First Nations Public Service; and Linda Mix, program director, Law Foundation
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, 2013, 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, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants
Vancouver, Canada  April 5, 2014

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

The Law Foundation of British Columbia

As at December 31

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>941,557</td>
<td>307,198</td>
</tr>
<tr>
<td>Investments [note 4]</td>
<td>44,777,488</td>
<td>50,553,151</td>
</tr>
<tr>
<td>Prepaid expenses and other</td>
<td>77,776</td>
<td>101,847</td>
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<tr>
<td>Property and equipment [note 5]</td>
<td>12,141</td>
<td>26,116</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,808,962</td>
<td>50,988,312</td>
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<table>
<thead>
<tr>
<th><strong>LIABILITIES AND NET ASSETS</strong></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities [note 6]</td>
<td>133,349</td>
<td>170,477</td>
</tr>
<tr>
<td>Child Welfare Fund [note 7]</td>
<td>19,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Legal Services Society/ Law Foundation Research Fund [note 8]</td>
<td>2,255,515</td>
<td>2,396,774</td>
</tr>
<tr>
<td>Grants payable [note 9]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>— within one year</td>
<td>13,792,035</td>
<td>14,889,337</td>
</tr>
<tr>
<td>— long term</td>
<td>1,843,755</td>
<td>1,798,366</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>18,043,654</td>
<td>19,274,954</td>
</tr>
</tbody>
</table>

| **Net assets**                |       |     |
| Equity in property and equipment | 12,141 | 26,116 |
| Grant stabilization fund [note 10] | 27,753,167 | 31,687,242 |
| **Total net assets**          | 27,765,308 | 31,713,358 |

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY IN PROPERTY AND EQUIPMENT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>GRANT STABILIZATION FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>26,116</td>
<td>31,687,242</td>
</tr>
<tr>
<td>Decrease in net assets for the year</td>
<td>(17,818)</td>
<td>(3,930,232)</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>3,843</td>
<td>(3,843)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>12,141</td>
<td>27,753,167</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2012</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>49,576</td>
<td>35,032,399</td>
</tr>
<tr>
<td>Decrease in net assets for the year</td>
<td>(30,538)</td>
<td>(3,338,079)</td>
</tr>
<tr>
<td>Acquisition of property and equipment</td>
<td>7,078</td>
<td>(7,078)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>26,116</td>
<td>31,687,242</td>
</tr>
</tbody>
</table>

See accompanying notes to the financial statements

Approved by:

Governor

Governor
Statement of Operations

Year ended December 31

<table>
<thead>
<tr>
<th>INCOME</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received on lawyers’ trust accounts</td>
<td>14,219,722</td>
<td>12,911,431</td>
</tr>
<tr>
<td>Investment income (net) [note 11]</td>
<td>1,438,159</td>
<td>2,782,352</td>
</tr>
<tr>
<td>Unclaimed trust funds and other income [note 12]</td>
<td>363,816</td>
<td>583,178</td>
</tr>
<tr>
<td></td>
<td>16,021,697</td>
<td>16,276,961</td>
</tr>
<tr>
<td>Child Welfare Fund</td>
<td>21,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>16,042,697</td>
<td>16,276,961</td>
</tr>
</tbody>
</table>

EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit and annual report</td>
<td>55,486</td>
<td>54,965</td>
</tr>
<tr>
<td>Consulting and legal</td>
<td>103,213</td>
<td>118,812</td>
</tr>
<tr>
<td>Meetings and travel</td>
<td>159,280</td>
<td>160,572</td>
</tr>
<tr>
<td>Office and other</td>
<td>106,200</td>
<td>99,110</td>
</tr>
<tr>
<td>Rent and occupancy costs</td>
<td>215,825</td>
<td>187,054</td>
</tr>
<tr>
<td>Salaries and employee benefits</td>
<td>1,088,254</td>
<td>1,093,352</td>
</tr>
<tr>
<td>Amortization of property and equipment</td>
<td>17,818</td>
<td>30,538</td>
</tr>
<tr>
<td></td>
<td>1,746,076</td>
<td>1,744,403</td>
</tr>
<tr>
<td>Child Welfare Fund</td>
<td>21,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>1,767,076</td>
<td>1,744,403</td>
</tr>
</tbody>
</table>

Net income before grants approved   | 14,275,621 | 14,532,558 |

Program and project grants approved [note 13] | 18,506,588 | 18,336,154 |

Less program and project grants refunded or unused | 282,917 | 434,979 |

Decrease in net assets for the year | 18,223,671 | 17,901,175 |

See accompanying notes to the financial statements

Statement of Cash Flows

Year ended December 31

<table>
<thead>
<tr>
<th>OPERATING ACTIVITIES</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received on lawyers’ trust accounts</td>
<td>14,219,722</td>
<td>12,911,431</td>
</tr>
<tr>
<td>Investment income realized (net)</td>
<td>1,635,214</td>
<td>1,385,972</td>
</tr>
<tr>
<td>Unclaimed trust funds and other income received</td>
<td>392,558</td>
<td>554,436</td>
</tr>
<tr>
<td>Expenses paid</td>
<td>1,770,057</td>
<td>1,770,289</td>
</tr>
<tr>
<td>Child Welfare Fund — grants paid (net)</td>
<td>32,667</td>
<td>29,674</td>
</tr>
<tr>
<td>Program and project grants paid (net)</td>
<td>19,397,601</td>
<td>21,136,619</td>
</tr>
<tr>
<td>Cash used in operating activities</td>
<td>(4,952,831)</td>
<td>(8,084,743)</td>
</tr>
<tr>
<td>Research fund activities (net)</td>
<td>12,425</td>
<td>24,665</td>
</tr>
<tr>
<td></td>
<td>(4,940,406)</td>
<td>(8,060,078)</td>
</tr>
</tbody>
</table>

INVESTING ACTIVITIES

| Property and equipment purchased                         | (3,843) | (7,078) |
| Sale of investments (net)                                | 5,578,608 | 8,165,955 |
| Cash provided by investing activities                    | 5,574,765 | 8,158,877 |
| Increase in cash for the year                            | 634,359  | 98,799  |
| Cash, beginning of year                                  | 307,198  | 208,399  |
| Cash, end of year                                        | 941,557  | 307,198  |

See accompanying notes to the financial statements
Notes to Financial Statements

The Law Foundation of British Columbia
December 31, 2013

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

Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The foundation’s exposure to currency risk is indicated by its ownership of international bonds and debentures, as described in note 4. The foundation does not engage in hedge transactions.

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

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

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

4. INVESTMENTS

<table>
<thead>
<tr>
<th></th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013 $</td>
</tr>
<tr>
<td>CC&amp;L High Yield Bond Fund I — 525,286 units [2012 — 726,985 units]</td>
<td>5,368,113</td>
</tr>
<tr>
<td>CC&amp;L Equity Income &amp; Growth I Fund — 709,578 units [2012 — Nil units]</td>
<td>8,282,053</td>
</tr>
<tr>
<td>PC Canadian Equity Income &amp; Growth Fund — Nil units [2012 — 571,305 units]</td>
<td>—</td>
</tr>
<tr>
<td>CC&amp;L Bond Fund — 3,034,325 units [2012 — 3,075,337 units]</td>
<td>31,127,322</td>
</tr>
<tr>
<td></td>
<td>44,777,488</td>
</tr>
</tbody>
</table>

The foundation owns 6.7% [December 31, 2012 — 16.2%] of the units of the CC&L High Yield Bond Fund I, 6.6% [December 31, 2012 — 0%] of the units of the CC&L Equity Income & Growth I Fund and 2.3% [December 31, 2012 — 2.8%] of the units of the CC&L Bond Fund.
The CC&L High Yield Bond Fund I consists of Canadian bonds and debentures that make up approximately 33.9% [December 31, 2012 — 50.7%] of its portfolio and international bonds, debentures and other foreign content that make up approximately 66.1% [December 31, 2012 — 49.3%] of its portfolio. The CC&L Equity Income & Growth I Fund consists of Canadian equities that make up approximately 93.7% of its portfolio and foreign equities that make up approximately 6.3% of its portfolio. The CC&L Bond Fund consists of Canadian government and corporate bonds and debentures that make up approximately 96.9% [December 31, 2012 — 96.6%] of its portfolio and international bonds, debentures and other foreign content that make up approximately 3.1% [December 31, 2012 — 3.4%] of its portfolio.

At December 31, 2013, the average yield on all the investments was 3.60% [December 31, 2012 — 3.75%].

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 making up the remainder.

5. PROPERTY AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>COST $</th>
<th>ACCUMULATED AMORTIZATION $</th>
<th>NET BOOK VALUE $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>123,027</td>
<td>123,027</td>
<td>—</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>16,505</td>
<td>12,746</td>
<td>3,759</td>
</tr>
<tr>
<td>Computers and accessories</td>
<td>29,068</td>
<td>20,686</td>
<td>8,382</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>168,600</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>156,459</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12,141</td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
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<tr>
<td>Leasehold improvements</td>
<td>123,027</td>
<td>116,874</td>
<td>6,153</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>27,240</td>
<td>20,180</td>
<td>7,060</td>
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<tr>
<td>Computers and accessories</td>
<td>31,188</td>
<td>18,285</td>
<td>12,903</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>181,455</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>155,339</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>26,116</td>
</tr>
</tbody>
</table>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>2013 $</th>
<th>2012 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>86,282</td>
<td>105,225</td>
</tr>
<tr>
<td>Funds held in trust</td>
<td>35,483</td>
<td>53,109</td>
</tr>
<tr>
<td>Government remittances — payroll taxes</td>
<td>9,401</td>
<td>10,246</td>
</tr>
<tr>
<td>Government remittances — WorkSafeBC</td>
<td>2,183</td>
<td>1,897</td>
</tr>
<tr>
<td></td>
<td>133,349</td>
<td>170,477</td>
</tr>
</tbody>
</table>

7. CHILD WELFARE FUND

The BC Ministry of Children and Family Development granted the foundation $1 million in 2004, an additional $2 million in 2006 and $124,000 in 2008 to develop innovative proposals consistent with the guiding principles of the Child, Family and Community Service Act, to expand the use of alternative dispute resolution in child welfare — particularly for Aboriginal children and families. Those grants have now been spent. In 2009, a $50,000 grant was received from the BC Representative for Children and Youth for the purpose of child welfare evaluation and research, of which $20,000 was unspent at the end of the prior year. An additional grant of $20,000 was received in 2013, and $21,000 was spent, leaving a balance of $19,000 at the end of the current year.

8. LEGAL SERVICES SOCIETY/LAW FOUNDATION RESEARCH FUND (RESEARCH FUND)

The Legal Services Society of BC and the foundation established the research fund with a grant of $1,000,000 each pursuant to a deed of trust dated March 31, 2008. The purpose of the research fund is to support research on and evaluation of legal aid and other access to justice programs to enhance the quality of and access to justice for British Columbians. The research fund is administered by the foundation, and distribution of the funds is approved by an advisory committee consisting of one nominee from the Legal Services Society, the foundation and the Notary Foundation. Investment income earned on unexpended funds is added to the research fund.

<table>
<thead>
<tr>
<th></th>
<th>2013 $</th>
<th>2012 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Research fund, beginning of year</td>
<td>2,396,774</td>
<td>2,285,991</td>
</tr>
<tr>
<td>Direct expenses</td>
<td>(418)</td>
<td>(10,551)</td>
</tr>
<tr>
<td>Grants — approved</td>
<td>(230,200)</td>
<td>—</td>
</tr>
<tr>
<td>— returned to fund</td>
<td>16,318</td>
<td>—</td>
</tr>
<tr>
<td>Investment income allocated [note 11]</td>
<td>73,041</td>
<td>121,334</td>
</tr>
<tr>
<td></td>
<td>2,255,515</td>
<td>2,396,774</td>
</tr>
</tbody>
</table>

9. GRANTS PAYABLE

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

<table>
<thead>
<tr>
<th></th>
<th>2013 $</th>
<th>2012 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>—</td>
<td>14,889,337</td>
</tr>
<tr>
<td>2014</td>
<td>13,792,035</td>
<td>1,798,366</td>
</tr>
<tr>
<td>2015</td>
<td>1,708,755</td>
<td>—</td>
</tr>
<tr>
<td>2016 – 2018</td>
<td>135,000</td>
<td>—</td>
</tr>
<tr>
<td></td>
<td>15,635,790</td>
<td>16,687,703</td>
</tr>
</tbody>
</table>

Less portion payable within one year | (13,792,035) | (14,889,337) |

Long term grants payable | 1,843,755 | 1,798,366 |
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:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends earned</td>
<td>1,830,832</td>
<td>1,645,787</td>
</tr>
<tr>
<td>(Write-down) write-up of investments to market value</td>
<td>(1,211,612)</td>
<td>1,860,585</td>
</tr>
<tr>
<td>Gain (loss) on sale of investments</td>
<td>1,014,557</td>
<td>(464,205)</td>
</tr>
<tr>
<td>Investment advisory fees</td>
<td>(122,577)</td>
<td>(138,481)</td>
</tr>
<tr>
<td>Less investment income allocated to the research fund [note 8]</td>
<td>(73,041)</td>
<td>(121,334)</td>
</tr>
<tr>
<td></td>
<td>1,438,159</td>
<td>2,782,352</td>
</tr>
</tbody>
</table>

12. UNCLAIMED TRUST FUNDS AND OTHER INCOME

Unclaimed Trust Funds
Under the Law Society of British Columbia’s (the society) unclaimed trust fund procedures, lawyers submit unclaimed trust funds to the society. The society holds the funds for five years before remitting the money to the foundation. The total received for 2013 was $194,106 [2012 — $421,235].

Other Income
In 2007, the Law Society of British Columbia Pro Bono Funding Task Force (the task force) recommended that the society allocate a portion of annual lawyers’ practice fees to fund pro bono services. The task force noted that the foundation was uniquely well suited to determining recipients of pro bono grant funds, and the benchers decided to transfer one percent of the general fund portion of annual lawyers’ practice fees to the foundation to be used for funding pro bono programs. The total received for 2013 was $169,710 [2012 — $161,943].

13. PROGRAM AND PROJECT GRANTS APPROVED

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major continuing program and project grants in excess of $1,000,000 were made to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal Services Society of BC</td>
<td>3,739,750</td>
<td>3,674,750</td>
</tr>
<tr>
<td>BC Courthouse Library Society</td>
<td>2,737,750</td>
<td>2,737,750</td>
</tr>
<tr>
<td>Community Legal Assistance Society</td>
<td>1,010,740</td>
<td>1,192,450</td>
</tr>
<tr>
<td>Other continuing program grants</td>
<td>8,993,320</td>
<td>8,820,481</td>
</tr>
<tr>
<td>Other project grants</td>
<td>2,025,028</td>
<td>1,910,723</td>
</tr>
<tr>
<td></td>
<td>18,506,588</td>
<td>18,336,154</td>
</tr>
</tbody>
</table>

At December 31, 2013, there were $Nil [2012 — $364,075] of matched grants in grants payable.

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:

<table>
<thead>
<tr>
<th></th>
<th>ANNUAL RENT PAYMENTS $</th>
<th>TOTAL RENT COMMITMENT $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 – 2017 (4 Years)</td>
<td>114,160</td>
<td>456,640</td>
</tr>
<tr>
<td>2018 (1 Year)</td>
<td>129,381</td>
<td>129,381</td>
</tr>
<tr>
<td>2019 – 2022 (4 Years)</td>
<td>136,992</td>
<td>547,968</td>
</tr>
<tr>
<td>2023 (4 Months)</td>
<td>—</td>
<td>45,664</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,179,653</td>
</tr>
</tbody>
</table>
Board of Governors
As of December 31, 2013

From left to right:
Ron Toews, QC
Finance and Administration Committee
Special Needs Fund Committee
Doug McCallum
Finance and Administration Committee
New Grants Committee (Chair)
Anna Fung, QC
New Grants Committee
Finance and Administration Committee (Chair)
Frank Scordo
Fellowships and Research Committee
Special Needs Fund Committee
James Bond, QC
Class Actions Committee
New Grants Committee
Ajeet Kang
New Grants Committee
Fellowships and Research Committee
Justice David Masuhara
Policy and Planning Committee
New Grants Committee
Judge Dennis Schmidt
Family Law Committee
Fellowships and Research Committee
Policy and Planning Committee
Jay Chalke, QC

Anita Dalakoti
Finance and Administration Committee
Policy and Planning Committee
Tamara Hunter
Chair of the Board of Governors
Ex-officio member of all committees
Warren Milman
Finance and Administration Committee
Policy and Planning Committee
Class Actions Committee (Chair)
Fred Fatt
Policy and Planning Committee
Aboriginal Legal Issues Committee
Sandra Dick
Family Law Committee (Chair)
New Grants Committee
Robert Groves
Finance and Administration Committee
Special Needs Fund Committee (Chair)
Kelle Maag, QC
Aboriginal Legal Issues Committee
Policy and Planning Committee
Eugene Raponi, QC
Aboriginal Legal Issues Committee
Family Law Committee
Policy and Planning Committee (Chair)
Patrick Kelly
Aboriginal Legal Issues Committee (Chair)
Fellowships and Research Committee (Chair)