



**The Law Foundation of Ontario**  
*Building a better foundation for justice in Ontario*

## 2007 Annual Report



Entries from the 2008 Grade 5 Poster Challenge, Ontario Justice Education Network

# Introduction

The Law Foundation of Ontario was established in 1974, under an amendment to the Law Society Act (the governing legislation of lawyers in Ontario), to establish and maintain a fund to be used for legal education, legal research, legal aid, law libraries, and cost assistance to parties to class proceedings.

The LFO is governed by a five-member Board of Trustees who are appointed by the Law Society of Upper Canada and by the Attorney General of Ontario.

The LFO achieves its mandate by awarding grants to organizations for law-related projects and initiatives. From its inception in 1974, the LFO has given out over \$170 million in grants and approximately \$550 million to Legal Aid Ontario.

As directed by the Law Society Act, the LFO is funded by the interest earned on monies held in lawyers' mixed trust accounts.



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## **Our Vision**

*The Law Foundation of Ontario is a catalyst for advancing the ideal of a truly accessible justice system. The LFO is recognized as a leader, working through creative partnerships to sustain and strengthen the development of a just society.*

## **Our Mission**

*The Law Foundation of Ontario is committed to the advancement of legal knowledge, excellence within the legal profession and community participation in the legal system. The LFO funds programs and initiatives that promote and enhance access to justice for all Ontarians.*

# Report from the Chair

**I**n The Law Foundation of Ontario's 34-year history, we have come to appreciate that the role of a responsible grant-maker is to create, foster and support the work that is ultimately carried out by others. We are proud of what we have accomplished through the activities of the many organizations we assist. It is rewarding to know we have had a role in the important results they have achieved in enhancing access to justice in Ontario.

2007 was defined by considerable growth on all fronts. We expanded our grant-making efforts by seeking out and developing funding opportunities in areas of greatest need. We invested in strengthening our relationships with existing grantees to enhance our mutually beneficial partnerships. And we took steps to improve and accelerate our grant-making processes.

The Law and Innovation Fund campaign, established in 2006 as a means of addressing critical gaps in access to justice across the province was successfully completed. Six communities were identified: the working poor; Ontarians living in rural or remote parts of the province; Aboriginal people; linguistic minorities; women who are victims of domestic violence; and people with mental health challenges. Close to 150 applications were received and nearly \$3 million was awarded in new grants. The total number of grants awarded by the LFO doubled in 2007.

The response to the Law and Innovation Fund campaign identified two particularly pervasive issues relating to access to justice: the challenges faced by those who do not speak French or English and the challenges faced by those who live in remote areas of the province. As a result, the LFO launched the Linguistic and Rural Access to Justice Project. The project has a mandate to identify opportunities to address these challenges. We look forward to seeing the results of this project in 2008.

In 2007, the LFO actively worked to become an even more pro-active grant-maker. We responded to the needs identified by some of our grantees by establishing a Rejuvenation Fund, which has the long-term purpose of building the capacity for organizations that have received multi-year funding from the LFO. In addition, we tapped into our grantees' many and various areas of expertise and experience to learn ways in which to develop future funding initiatives. The outstanding activities of these grantees are highlighted in the subsequent pages of this Report.

The LFO has also addressed its need for capacity building by hiring additional staff and accessing other resources to effectively manage and carry out new projects, while continuing its long-standing prudent management of all revenues, investments and expenditures.

Revenues were extraordinarily healthy in 2007, thanks to continuing high balances in lawyers' mixed trust accounts and relatively stable interest rates. This allowed the LFO to increase its legally mandated support of Legal Aid Ontario and to continue its tradition of supporting programs that promote excellence within the legal profession and for law students. The LFO continued significant funding of the province's law schools to enrich students' educational experiences.



*“We are proud of what we have accomplished through the activities of the many organizations we assist.”*

— Larry Banack, Chair

For the first time, an application from the University of Ottawa, Faculty of Law, Civil Section, for annual block funding was received and approved.

In 2007, the new Law Commission of Ontario was officially launched. It is a joint effort of the deans of Ontario’s law schools, the Law Society of Upper Canada, the Ontario Ministry of the Attorney General and the LFO, which is the primary funder. Its mandate is to recommend law reforms that will improve the administration of Ontario’s justice system. In addition, the LFO took steps to foster collaboration with other Foundations across the country to identify projects of national interest, which are also of importance to the people of Ontario.

Our achievements are due in large part to the dedication and creativity of our Board of Trustees. Their thoughtful contributions challenge and inspire us all to go farther and work harder.

I extend a special thank you to Susan Elliott, who served as a Trustee on our Board from July 2003 to June 2007. On her departure from the Board, we welcomed Paul Schabas, who was appointed as a Trustee by the Law Society of Upper Canada.

I also thank the members of the Class Proceedings Committee who continued to volunteer their invaluable expertise and time. The Class Proceedings Fund provides an important tool to enable class actions that are in the public interest to proceed.

I also take this opportunity to thank LFO staff, who were critical to this year’s success. We can all be proud of what we have accomplished this year. We appreciate having the privilege of serving the public interest by contributing to the continued success of the LFO and its grantees.



*Larry Banack,*  
Chair

# Board of Trustees

## Appointed by the Law Society of Upper Canada



*Larry Banack, Chair*  
Koskie Minsky LLP  
Barristers and Solicitors



*Mark J. Sandler*  
Cooper, Sandler & West  
Barristers and Solicitors



*Paul Schabas*  
Blake, Cassels & Graydon LLP  
Barristers and Solicitors

## Appointed by the Attorney General of Ontario



*Mark D. Leach*  
*Assistant Deputy Attorney General*  
Policy and Family Justice Services Divisions,  
Ministry of the Attorney General



*Lorne M. Sossin*  
*Professor, Faculty of Law,*  
University of Toronto

## Staff



*Seated left to right:*  
*Taciana Estrela, Office Assistant*  
*Adriana Suppa, Communications Advisor*  
*Toomie Allen, Administrative Co-ordinator*  
*(Committees)*  
*Ayumi Bailly, Director Policy and Programs*

*Standing left to right:*  
*Gina Papageorgiou, Counsel,*  
*Class Proceedings Committee*  
*Irene Geridis, Manager, Accounting*  
*& Administration*  
*Alida DeLorenzi, Grants Officer*  
*Elizabeth Goldberg, Chief Executive Officer*  
*Mary Shannon Brown, Executive Director*  
*Arta Tafaj, Administrative Co-ordinator*  
*(Accounting & Compliance)*  
*Barbara Stewart, Executive Secretary*

# Grantee Highlights



OJEN students participate in a mock trial



Teacher Louise Celap, CCLET's Danielle McLaughlin, and teacher Christina Rajabalan participate in the Civil Liberties in the Schools project.



*Law Commission of Ontario Launch*  
L-R: W.A. Derry Millar, Chair, Fin. & Audit Comm., LSUC; Larry Banack, Chair, LFO; Michael Bryant, Ont. Att. Gen.; Patricia Hughes, Exec. Dir., LCO; Patrick Monahan, Chair, Board of Governors, LCO; Mamdouh Shoukri, Pres. & Vice. Chancellor, York University.

## Canadian Civil Liberties Education Trust (CCLET)

The Canadian Civil Liberties Education Trust (CCLET) maintained a busy and productive pace in 2007. More than 90 schools were visited, which meant that thousands of students, teachers and student teachers engaged in the exercise of thinking critically about their rights and freedoms.

CCLET staff and volunteers made presentations and held workshops at a total of 11 English language faculties of education. The programmes in the schools and faculties give participants an opportunity to discuss a variety of civil liberties issues and topics for future in-class debate and workshops.

The workshops are highly interactive and provide students an open forum to voice a real diversity of views. Components of the workshops are often added to the Civics and Law courses to the point where the *Canadian Charter of Rights and Freedoms* and human rights legislation are introduced into the curriculum.

CCLET's eleventh annual *Our Fundamental Freedoms* conference, held on December 7, 2007, for students in the Toronto District School Board, attracted a diverse and enthusiastic group of teenagers who spent the day asking hard questions and debating controversial issues.

In 2007, CCLET also began to engage First Nations educators and students in the Teaching Civil Liberties and Civil Liberties in the Schools programmes. Workshops and seminars were held at Nbissing High School on the Nbissing First Nations Reserve at Dennis Franklin Cromarty High School in Thunder Bay, operated by the Nishnawbe-Aski Nation. Workshops were also held for teacher candidates in Nipissing University's Aboriginal Teacher Certificate Programme. This outreach will continue into 2008.

## CLEONet

In 2007, CLEONet ([www.cleonet.ca](http://www.cleonet.ca)) further established itself as the focal point of community legal education activity in the province. With close to 1,000 legal information resources produced by over 200 organizations from across Ontario, and a regularly updated collection of related news and events, the project serves an ever-increasing number of community workers and advocates – helping them help their clients understand and exercise their legal rights. CLEONet features resources in over 50 languages and through CLEONet, many organizations have been able to make their resources available online for the first time.

A highlight of the year was the launching of CLEONet's newly designed web site, which features a cleaner look, streamlined navigation, and an enhanced legal topic and subtopic classification system. CLEONet's legal taxonomy is becoming the model for community legal education work and CLEONet has already shared the system with projects underway in Australia and British Columbia.

CLEONet's content feeds enable community organizations to feature constantly updated legal information and news on their own web sites. Organizations embarking on new community legal education projects check CLEONet to see what materials others have already produced and, using the information available on the site, can then easily connect with groups doing similar work.

## Metropolitan Action Committee on Violence Against Women (METRAC)

The LFO continued to fund the Metropolitan Action Committee on Violence Against Women and Children (METRAC) to facilitate access to justice for diverse women experiencing violence. In 2007, METRAC launched four new projects and expanded its outreach with three new communities.

The Aboriginal Women Outreach Initiative helped to identify a number of key areas in which Aboriginal women want legal information. A partnership with the Native Women's Resource Centre was established, and a culture-based handbook and web page to address the legal information needs of Aboriginal women experiencing violence will be created.

# Grantee Highlights



Tara Berish, articling student, Canadian Internet Policy and Public Interest Clinic (CIPPIC), David Fewer, Staff Counsel and Phillipa Lawson, Director, CIPPIC.



Chief Justice Heather Smith at opening of the Law Help Ontario Centre.



PBSC Ottawa receives the Ramon John Hnatyshyn Award.

In 2007, the Women in Conflict with the Law Project was also established. The project partnered with numerous organizations to conduct focus groups in four locations in Ontario. The groups consulted with women in penal institutions to develop legal information resources for incarcerated women, the vast majority of whom have had unrelenting experiences of violence and abuse.

METRAC also launched Women Experiencing Violence in the Workplace. Discussions and consultations were held with union and non-unionized groups to understand how women are affected by workplace violence. As a result, METRAC developed legal materials and workshops for vulnerable women experiencing violence who are seeking information to know their rights in the workplace.

Other projects for 2007 included the development of training for service providers working with young and older women, which led to the delivery of six workshops in Ottawa, North Bay and Timmins. Work is also underway to redesign Ontario Women's Justice Network, a legal information website, [www.owjn.org](http://www.owjn.org).

## Ontario Justice Education Network (OJEN)

The Ontario Justice Education Network (OJEN) is committed to providing youth with positive exposure to the justice system through justice education and dialogue. In 2007, OJEN's signature program, Courtrooms & Classrooms, extended its impact, as the numbers of students who visited Ontario courthouses increased to 58,000. The number of mock hearings, including trials, sentencing and bail hearings also grew significantly. OJEN also assessed the success of its 36 outreach initiatives and identified 29 for replication around the province.

OJEN's programs for newcomer and immigrant youth expanded considerably over the year. Students in English as a Second Language (ESL) classes in Peel Region and Windsor participated in workshops that introduced legal vocabulary into the courses. Students were also exposed to the basics of the Canadian justice system, as lawyers volunteered to present workshops and coach ESL students in preparation of a mock trial.

A total of sixty ESL students from Parkdale Collegiate Institute also participated in a courthouse visit that was tailored to the issues relevant to Canadian newcomers. These outreach activities exposed students to the justice system and also introduced their families to the legal clinics and resources available in their communities.

*The Charter Challenge*, a new OJEN project, has students prepare factums on a *Charter* issue, with two schools selected to argue the case at the Ontario Court of Appeal. Prior to submitting a factum, students connect with each other and with constitutional lawyers in an online forum. In 2007, a total of 311 students from across the province took part in the project.

## Pro Bono Law Ontario (PBLO)

The Law Foundation of Ontario was pleased to support Pro Bono Law Ontario (PBLO) through another highly successful year. 2007 saw 2632 clients served through PBLO's in-house projects alone, which represents an increase of 175% compared to 2006.

By the end of 2007, PBLO had worked with 20 of the 25 largest law firms in Ontario to develop policies that count pro bono as billable time. PBLO is also working with these firms to develop pro bono projects. An additional 25-30 firms participated in PBLO's registered projects. In 2007, 2 of the 5 largest banks in the country worked with PBLO to develop pro bono policies for their in-house corporate counsel, making them the first corporate counsel groups in the country to adopt such policies.

PBLO's Community Economic Development projects, which strengthen local agencies' ability to serve clients by supporting community initiatives and businesses, also expanded as did the organization's children's programs. The Child Advocacy Project (CAP), specifically, served 100 children and their families who were facing education-related legal issues. Another 232 individuals and advocacy groups received community legal education. In addition, three new children's projects were also developed: Youth Circles, The Witness Advice Programs, and the Medical-Legal Partnerships for Children.

PBLO is also home to Volunteer Lawyers Service (VLS). This branch increased its outreach through the many Public Legal Education

# Grantee Highlights



*The Persons Case: The Origins and Legacy of the Fight for Legal Personhood, by Robert Sharpe and Patricia McMahon, Published by The Osgoode Society.*



*The University of Western Ontario, Faculty of Law*



*Shanaaz Gokool, Volunteer Coordinator and Tanya Gerber, Executive Director of the Association in Defence of the Wrongly Convicted (AIDWYC).*

seminars organized throughout the year. Seminars remain well-attended and continue to reach a large range of non-profits and charities.

Also of note, was the launch of the Law Help Ontario Centre on November 29, 2007. The Centre offers a range of pro bono legal services to low-income, unrepresented litigants including procedural information, form completion assistance, summary advice and appearances at hearings.

## Pro Bono Students Canada (PBSC)

Pro Bono Students Canada (PBSC) promotes awareness for social justice and mobilizes law students across Canada to embark on the pro bono tradition within the legal profession. To date, PBSC has reached every Canadian law school across Canada, with chapters in all seven Ontario law faculties. In 2007, a range of successful programs continued.

The Community Placement Program saw close to 1600 students from Ontario Law Schools provide legal information to over 300 public interest organizations and communities in need.

As part of The Long Distance Pro Bono Placement Program, PBSC Windsor established a joint project with Windsor Law's Labour Law Society, and created opportunities for student volunteers to research issues surrounding migrant workers.

The Pro Bono Awareness & Education Program, which promotes the pro bono ethic through public speakers, also continued. PBSC Ottawa (Civil Law), kicked off the year with speaker Carole Willans-Théberge, Head of Legal and Constitutional Affairs at the Privy Council Office (Canada) and Vice-President of Reach Canada.

In 2007, The Court & Tribunal Program expanded to include PBSC Queen's and PBSC Windsor, where students worked at Family Courts to assist litigants with completing and filing court forms, pleadings, and motion record materials. The program enables law students to provide free legal services to unrepresented litigants. PBSC Osgoode had the opportunity to do this at the Ontario Superior Court of Justice.

The Multi-Disciplinary Program creates partnerships with members of other faculties and disciplines and invites them to contribute their skills and expertise to PBSC projects. The Toronto chapter began to develop a project in collaboration with the University of Toronto, Faculty of Social Work. Students from both faculties will volunteer to provide free legal and social work services to Toronto child welfare agencies and public interest organizations that need assistance with research and policy initiatives.

2007 also saw PBSC Queen's partner in the *Paths Less Travelled Conference*, held at the university's Faculty of Law. The event was made possible through The Faculty & Curricular Connections Program, which works to integrate curriculum, student groups and faculty initiatives with public interest and pro bono programming.

## The Association in Defence of the Wrongly Convicted (AIDWYC)

Throughout 2007, several important events occurred to demonstrate how crucial it is that the Association in Defence of the Wrongly Convicted (AIDWYC) continue its work in the area of preventing and rectifying wrongful convictions. As the only national advocacy group in the country, AIDWYC's role is crucial.

The Ontario Court of Appeal's acquittal of Steven Truscott on August 28, 2007 was a huge success story, followed soon after by the acquittal of William Mullins-Johnson on October 15. While these acquittals are significant accomplishments, AIDWYC is still faced with the enormous undertaking of identifying and recommending systemic remedies of wrongful convictions and educating members of the legal profession and the public on these causes and remedies.

The fallout from the miscarriage of justice suffered by Mullins-Johnson and those with similarly-caused convictions is being scrutinized by Commissioner Stephen Goudge at the Inquiry into Pediatric Forensic Pathology in Ontario (the Goudge Inquiry). This inquiry is in the process of examining the work of Dr. Charles Smith in a number of cases, some of which will undoubtedly form the next series of wrongful convictions to be championed by AIDWYC.

# Grantee Highlights



Francisco Rico-Martinez, Community Leadership in Justice Fellow



Femi Lawson, Second Chance Scholarship Recipient



Leilani Farba, Community Leadership in Justice Fellow

## The Osgoode Society

The Osgoode Society for Canadian Legal History encourages research and writing in the history of Canadian law. The Society, which was incorporated in 1979 and is a registered charity, was founded at the initiative of The Honourable R. Roy McMurtry, formerly Attorney General of Ontario and Chief Justice of the province, and officials of the Law Society of Upper Canada. The Society seeks to stimulate the study of legal history in Canada by supporting researchers, collecting oral histories, and publishing volumes that contribute to legal-historical scholarship in Canada. It has published 70 books on the courts, the judiciary, and the legal profession, as well as on the history of crime and punishment, women and law, law and economy, the legal treatment of ethnic minorities, and famous cases and significant trials in all areas of the law.

In 2007, the Society published four books, which demonstrate the breadth of legal history. Of note, was *The Persons Case: The Origins and Legacy of the Fight for Legal Personhood*, by Robert Sharpe & Patricia McMahon. The book studies the personalities and issues involved in the famous “persons case,” which declared women to be persons for the purpose of Senate appointments. Additional publications included: *Misconceptions: Unmarried Motherhood and the Ontario Children of Unmarried Parents Act, 1921-1969*, by Lori Chambers; *The Alberta Supreme Court at 100: History and Authority*, edited by Jonathan Swainger; and *My Life in Crime, and Other Academic Adventures*, the memoirs of Martin Friedland.

## Some of our Signature Programs

**The LFO has provided assistance to an ever-widening range of public interest organizations. In recent years, the LFO successfully launched several important “Signature Programs” that support the work of these organizations in different ways.**

### D-RAP

In 2007, the Debt Repayment Assistance Program continued. D-RAP offers recent graduates pursuing careers in public interest law financial assistance for meeting their educational debt repayment obligations. D-RAP offers six qualified graduates (one from each law school) annual financial assistance of \$10,000 a year for three years to encourage and enable them to work in a less-well-remunerated sector.

### The Public Interest Articling Fellowships Program

The Public Interest Articling Fellowships Program was created in response to a growing need for assistance within the public interest community, and a significant desire among law students to gain experience in this area of law. The Fellowships enable law students to article full-time for a public interest organization for a 10-month period.

In 2007, the following host organizations were selected for the 2008/2009 term: Amnesty International, the Barbra Schlifer Commemorative Legal Clinic, the Canadian Civil Liberties Association, the Canadian Internet Policy & Public Interest Clinic, Lake Ontario Waterkeeper, and the Public Interest Advocacy Centre.

# Some of our Signature Programs



*Students participate in OJEN's Charter Challenge*



*Guests at the LFO Open House*



*LAWS Program: Volunteer law student provides academic support to high school students*

## Community Leadership in Justice Fellowships Program

The Community Leadership in Justice Fellowships Program brings leaders from public interest organizations which interact with the justice system to Ontario universities, colleges and law schools to spend a six-month period covering one academic term in residence.

In 2007, two individuals were selected: Francisco Rico-Martinez, Co-Director of the FCJ Refugee Centre in Toronto, is conducting research on the basis and implications of “the principal applicant” approach of Canada’s immigration and refugee law, policy, procedures and program. He is being hosted by the University of Toronto, Faculty of Law.

Leilani Farha, Director of the Women’s Program at the Centre for Equality Rights in Accommodation (CERA), is implementing the Social and Economic Rights Program within the Human Rights Program at Carleton University. The aim of the Program is to contribute to the development of law reform initiatives with respect to women’s economic and social equality.

## The Roy and Ria McMurtry Endowment

To honour the former Chief Justice, The Honourable R. Roy McMurtry, upon his receipt of the LFO’s Guthrie Award in 2005, the LFO established The Roy and Ria McMurtry Endowment. In 2007, the Endowment was awarded to the Second Chance Foundation, an organization which provides post-secondary education scholarships to youth who have been involved or are at risk of becoming involved in the criminal justice system. The student selected in 2007 was Femi Lawson. Mr. Lawson is a young student who was involved in the Youth Violence Prevention Project at the Black Creek Community Health Centre. The Project included many activities aimed at youth that promoted the message of anti-violence including: the production of a video, panel discussions and school workshops. He is currently enrolled in the Criminal Justice program at Ryerson University and was selected because of his desire to speak out on behalf of his community and be an example to the younger generation.

## A Note of Appreciation

The Law Foundation of Ontario extends its thanks to the following people who have volunteered their time in support of LFO initiatives in 2007. In their roles as LFO representatives or Committee members, they have helped to promote access to justice and carry forward the goals of the LFO.

Lynn Burns  
E. Susan Elliott  
The Honourable Eileen E. Gillese  
H. Donald Guthrie  
Peter W. Heisey  
The Honourable Frank Iacobucci  
The Honourable Brian W. Lennox  
The Honourable R. Roy McMurtry  
E. Gail Sinclair

# Grants Authorized During 2007

## REGULAR GRANTS PROGRAM

<b>AIDS Committee of Durham Region</b> <i>Conference: Engaging Communities</i>	\$2,500
<b>Association In Defence of the Wrongly Convicted (AIDWYC)</b> <i>Program Activities</i>	\$100,000
<i>Training and Transition Support</i>	\$10,000
<b>Black Law Students' Association of Canada</b> <i>16th Annual Conference: Creating a New Reality</i>	\$63,093
<b>Carleton University, Department of Law</b> <i>The Chet Mitchell Law Resource Centre</i>	\$8,000
<b>Canadian Centre for International Justice</b> <i>International Justice: Ontario Law and Practice</i>	\$105,000
<b>Canadian Civil Liberties Education Trust</b> <i>Teaching Civil Liberties/Civil Liberties in the Schools</i>	\$261,408
<b>Canadian Constitution Foundation</b> <i>Conference: The Future of Freedom</i>	\$10,000
<b>Canadian Council of Muslim Women</b> <i>Training/Orientation to Muslim and Canadian Family Laws</i>	\$18,148
<b>Canadian Criminal Justice Association</b> <i>31st Canadian Congress on Criminal Justice</i>	\$20,000
<b>Canadian Institute for Environmental Law and Policy</b> <i>Review of Ontario's Waste Diversion Act</i>	\$20,000
<b>Canadian Institute for the Administration of Justice (CIAJ)</b> <i>2007 Annual Conference: Dispute Resolution in the Courts and Beyond</i>	\$7,500
<b>CAREFAC Ontario</b> <i>Visual and Media Artist Legal Education through Publications</i>	\$37,000
<b>Chief Justice of Ontario's Advisory Committee on Professionalism</b> <i>Inventory of Materials</i>	\$10,000
<i>Professionalism Toolkit</i>	\$10,000
<b>Community Information Fairview</b> <i>Legal Advice Clinic</i>	\$13,800
<b>Community Legal Education Ontario (CLEO)</b> <i>CLEONet</i>	\$100,000
<b>Community Living Port Colborne-Wainfleet</b> <i>Justice Program for High Risk Children and Youth</i>	\$9,680
<b>Ecojustice Canada</b> <i>Environmental Legal Toolkits for First Nations Youth</i>	\$20,000
<b>Environmental Defence</b> <i>Building the Water Guardians Network in Ontario</i>	\$86,510
<b>Foundation for Legal Research</b> <i>Legal Research Project</i>	\$30,000
<b>Humber Institute of Technology &amp; Advanced Learning</b> <i>On-line Ontario Graduate Certificate Program in Forensic Practice</i>	\$40,000
<b>Injured Workers' Consultants Community Legal Clinic</b> <i>Injured Workers Online Catalogue Project</i>	\$50,862

# Grants Authorized During 2007

<b>Joint Common and Civil Law Working Group on Corporate Social Responsibility, Faculty of Law, University of Ottawa</b>	
<i>Conference: Legal Discourse on Corporate Social Responsibility</i>	\$20,000
<b>Justice for Children and Youth</b>	
<i>Street Youth Legal Services</i>	\$143,000
<b>Kerr Street Community Services</b>	
<i>Link to Legal Breakthroughs</i>	\$36,050
<b>Law Schools Funding (2008/2009 Comprehensive Grants)</b>	
Queen's University, Faculty of Law	\$390,000
University of Ottawa, Common Law Section	\$470,000
University of Ottawa, Civil Law Section	\$235,000
University of Toronto, Faculty of Law	\$390,000
University of Western Ontario, Faculty of Law	\$390,000
University of Windsor, Faculty of Law	\$390,000
York University, Osgoode Hall Law School	\$470,000
<b>Law Society of Upper Canada, The</b>	
<i>LSUC contribution to CanLII for 2005 &amp; 2006</i>	\$1,200,000
<i>Lawyer Licensing Process</i>	\$1,000,000
<i>Paralegal Licensing Process</i>	\$300,600
<i>Archives</i>	\$52,000
<b>LibraryCo</b>	
<i>2008 Electronic Resource Acquisitions</i>	\$850,000
<i>Supporting County and District Infrastructure Requirements</i>	\$204,000
<b>Maison Interlude House</b>	
<i>Legal Information Workshops</i>	\$17,200
<b>Metro Toronto Chinese and Southeast Asian Legal Clinic</b>	
<i>Symposium: The Role of Ethno-Racial Legal Clinics</i>	\$15,700
<b>National Association of Women and the Law</b>	
<i>Conference: Mothering in Law</i>	\$34,500
<b>Native Law Centre, University of Saskatchewan</b>	
<i>Aboriginal Legal Education</i>	\$28,000
<b>Ontario Bar Association</b>	
<i>Law Day 2007</i>	60,000
<b>Ontario Justice Education Network (OJEN)</b>	
<i>Program Activities</i>	\$480,000
<i>Justice Education Symposium</i>	\$5,300
<b>Ontario Collaborative Law Federation</b>	
<i>Educating the Trainers; General Infrastructure and Promotion Strategy</i>	\$75,500
<b>Ontario Teaching Legal Clinics</b>	
<i>Sabbaticals for Directors, Instructors and Supervisors</i>	\$13,544
<b>Osgoode Hall Law School</b>	
<i>National Undergraduate Moot</i>	\$20,000
<i>Osgoode Public Interest Requirement (OPIR)</i>	\$25,000
<i>Teen Osgoode Program for Secondary Schools (TOPSS)</i>	\$30,000
<b>Osgoode Society for Canadian Legal History</b>	
<i>Program Activities</i>	\$160,000

# Grants Authorized During 2007

<b>Planning Committee for Symposium on Combating Hatred</b> <i>Symposium: Combating Hatred in the 21st Century</i>	\$25,000
<b>Pro Bono Law Ontario</b> <i>Law Help Pilot Project</i>	\$472,285
<i>Program Activities</i>	\$464,508
<b>Pro Bono Students Canada</b> <i>Access to Justice Programming</i>	\$451,267
<i>Develop Benchmarks of Success/Strengthen Governance Practices</i>	\$22,500
<b>Queen's University, Faculty of Law</b> <i>Social Justice Symposium</i>	\$19,930
<b>REACH Canada</b> <i>Conference on Long-Term Disability</i>	\$12,000
<b>Roger Fisher Tribute Committee, The</b> <i>The Roger Fisher Tribute</i>	\$31,744
<b>Saskatchewan Institute of Public Policy, The</b> <i>A Living Tree Conference</i>	\$5,000
<b>Springtide Resources Inc.</b> <i>Understanding Family &amp; Immigration Law through E-Learning</i>	\$107,217
<b>South Asian Legal Clinic of Ontario (SALCO)</b> <i>Pro Bono Program</i>	\$40,250
<b>Supreme Court Advocacy Institute</b> <i>Establishing &amp; Administering the Institute</i>	\$15,000
<b>University of Ottawa, Common Law Section</b> <i>Aboriginal Articling Student</i>	\$25,000
<i>Environmental Law Program</i>	\$25,000
<b>University of Ottawa, Civil Law Section</b> <i>Occupational Health and Safety Law</i>	\$25,000
<b>University of Toronto, Faculty of Law</b> <i>Conference on Climate Change Policy</i>	\$7,000
<i>Conference on Judicial Independence</i>	\$15,000
<i>Law in Action Within Schools (LAWS)</i>	\$159,172
<i>LAWS Summer Job Program</i>	\$14,000
<i>Professional Diversity and Legal Opportunities Officer</i>	\$50,000
<i>Summit on Gender, Diversity and the Legal Profession</i>	\$13,000
<b>University of Western Ontario, Faculty of Law</b> <i>Mobilizing Ontario's Developing Intellectual Property Expertise</i>	\$25,000
<b>University of Windsor, Faculty of Law</b> <i>Second International Symposium on the Law of Remedies</i>	\$21,000
<b>Women's Court of Canada</b> <i>Rewriting Equality Symposium</i>	\$60,815
<b>Women's Legal Education and Action Fund</b> <i>Legal Trends in Equality Jurisprudence: A Case Monitoring Project</i>	\$55,000
<b>Workers' Action Centre</b> <i>Opportunities for Change</i>	\$85,600
<b>Total Regular Grants Program</b>	<b>\$10,786,183</b>

# Grants Authorized During 2007

## SIGNATURE PROGRAMS

<b>Debt Repayment Assistance Program (D-RAP)</b>	\$180,000
<b>Community Leadership in Justice Fellowships</b>	
FCJ Refugee Centre/University of Toronto, Faculty of Law	\$65,000
Centre for Equality Rights in Accommodation (CERA)/ Institute of Interdisciplinary Studies, Carleton University	\$65,000
<b>Public Interest Articling Fellowships</b>	
<i>(2007/08 Articling Term)</i>	
Canadian Civil Liberties Association	\$69,500
<i>(2008/09 Articling Term)</i>	
Amnesty International	\$69,500
Barbra Schlifer Commemorative Clinic	\$69,500
Canadian Civil Liberties Association	\$69,500
Canadian Internet Policy and Public Interest Clinic	\$69,500
Lake Ontario Waterkeeper	\$69,500
Public Interest Advocacy Centre	\$69,500
<b>Roy &amp; Ria McMurtry Endowment Fund</b>	
Second Chance Scholarship Foundation	\$5,000
<b>Total Signature Programs</b>	<b>\$801,500</b>

## LAW & INNOVATION FUND (GRANTS FINALIZED IN 2007)

<b>3T Program</b>	
<i>3T (Toronto Teen Track) Program</i>	\$12,000
<b>Adult Literacy Council of Greater Fort Erie, The</b>	
<i>"You and the Law" workshops</i>	\$11,000
<b>ARCH Disability Law Centre</b>	
<i>Access to Administrative Justice</i>	\$85,000
<b>Arising Women Place</b>	
<i>Legal Knowledge</i>	\$191,124
<b>Barbra Schlifer Commemorative Clinic</b>	
<i>Understanding Intersections</i>	\$33,275
<b>Centre de santé communautaire Hamilton/Niagara</b>	
<i>Access to Legal Information and Legal Services for the Francophone Immigrant Community</i>	\$66,000
<b>Centre for Equality Rights in Accommodation (CERA)</b>	
<i>RightsNorth</i>	\$120,000
<b>CMHA Grey Bruce Branch</b>	
<i>Producing Educational Brochures on Mental Health Issues</i>	\$1,000
<b>Community Legal Education Ontario</b>	
<i>R. v. Gladue</i>	\$39,300
<b>COSTI Immigrant Services</b>	
<i>Sponsorship Debt: Immigrant Women and Domestic Violence</i>	\$52,000
<b>Dixon Hall</b>	
<i>Legal Awareness Outreach Project</i>	\$22,900
<b>Epilepsy Ontario</b>	
<i>Epilepsy Education Kits</i>	\$18,000

# Grants Authorized During 2007

<b>Erie's North Shore Support Services</b> <i>Mental Health Court Support Services</i>	\$7,500
<b>Ethno-Racial People with Disabilities Coalition of Ontario</b> <i>Proposal Development Support</i>	\$4,000
<b>Federation of Metro Tenants' Associations</b> <i>The "Tenant Survival Manual" and "Guide to Tenant Rights" in multiple languages</i>	\$83,000
<b>Grand Council Treaty # 3</b> <i>Systemic Racism in the Justice System: Working Together to Make Changes</i>	\$10,000
<b>HIV &amp; AIDS Legal Clinic (Ontario)</b> <i>Library Computerizing Project</i>	\$14,400
<b>Houselink Community Homes for The Dream Team</b> <i>The Dream Team project</i>	\$50,000
<b>Kingston Interval House</b> <i>Domestic Violence Court Watch</i>	\$30,000
<b>Manitoulin Family Resources Inc.</b> <i>Women's Court Support Program</i>	\$290,000
<b>Mohawk College of Applied Arts and Technology</b> <i>Legal Education Seminar Series</i>	\$24,595
<b>Mount Sinai Hospital</b> <i>Development of a Cultural Competency Training Program</i>	\$78,000
<b>Nishnawbe-Aski Legal Services Corporation</b> <i>Aboriginal Law Library</i>	\$20,000
<b>Northwestern Ontario Women's Centre and Faye Peterson Transition House</b> <i>Thunder Bay Court Watch</i>	\$50,000
<b>Ontario Federation of Indian Friendship Centres</b> <i>Aboriginal Courtworker Programme Workshop</i>	\$60,609
<b>Parkdale Community Legal Services Inc.</b> <i>Tibetan Mini-Clinic</i>	\$5,500
<b>Quinte Literacy Group</b> <i>Development of public legal education materials and workshops</i>	\$13,600
<b>Rexdale Community Legal Clinic</b> <i>Diversity Work Plan</i>	\$20,000
<b>Schizophrenia Society of Ontario</b> <i>Advocates for the Not Criminally Responsible Schizophrenia Sufferers (ANCRSS)</i>	\$100,000
<b>Sky Works Charitable Foundation</b> <i>Home Safe</i>	\$156,361
<b>South Asian Women's Centre</b> <i>Legal Information Workshops</i>	\$31,064
<b>St. Leonard's Society of Canada</b> <i>Towards a Model Community Mental Health Strategy</i>	\$20,000
<b>University of Windsor Mediation Services</b> <i>Outreach and Start-Up Coordinator Position</i>	\$20,000
<b>Women's Habitat of Etobicoke</b> <i>Community Legal Worker Program</i>	\$56,000
<b>WoodGreen Community Services</b> <i>Violence Awareness and Solutions for Chinese Older Adults (VASCOA)</i>	\$10,000
<b>Total Law &amp; Innovation Fund</b>	\$1,806,228
<b>Total Grants</b>	\$13,393,911

# Report on Class Proceedings

In 1992, the Class Proceedings Committee (“CPC”) and the Class Proceedings Fund (the “Fund”) were established under the Law Society Amendment Act to provide financial support to class action plaintiffs for disbursements. The Fund was established with a \$500,000 grant from the Law Foundation of Ontario. The CPC receives a levy in the amount of 10% on any awards or settlements in favour of the plaintiffs in funded proceedings together with a return of any funded disbursements. Plaintiffs awarded support are also indemnified for costs that may be awarded against them in funded proceedings.

The CPC determines whether applicants will receive funding based upon a number of considerations including: the merits of the plaintiff’s case, the extent to which the issue in the proceeding affects the public interest, the plaintiff’s efforts to raise funds, the likelihood of certification and the amount of money in the Fund.

The existence of the CPC and the Fund facilitate the public’s access to justice as potential class action plaintiffs may be discouraged from prosecuting their claims because the personal benefit to them might be quite small even if they are successful and there is potential exposure to significant costs awards against them if they are unsuccessful.

From 1992 until December 31, 2007 the CPC received 67 applications for funding. Of those applications, 29 have been approved for funding, 23 have been denied/deferred, 12 have been withdrawn or are currently in abeyance, and 3 are scheduled for a hearing in early 2008. Of those applications for funding that were denied/deferred, 4 were denied/deferred pending certification and 2 were denied/deferred pending receipt of additional information from the applicant. Those applications where funding was awarded represent 78 individual lawsuits since some approved applications for funding involve more than one separate civil proceeding. During the period January 1, 2007 to December 31, 2007, the CPC approved 2 new applications for funding and denied 1 new application for funding.

	For period from Jan. 1 to Dec. 31 2007	For the period from 1993 to the year ending Dec. 31, 2007
Opening balance	4,273,926	500,000
Total funding awarded	(257,760)	(1,521,385)
Funding repaid/cancelled	305,017	466,092
Administration costs/expenses	(108,339)	(427,441)
Interest received	295,047	1,078,516
10 % levies received	1,971,192	6,676,847
Costs awards in favour of defendants	(27,083)	(320,628)
Balance as at Dec. 31, 2007	6,452,000	6,452,000

The Law Foundation of Ontario, whose mandate is to promote access to justice, is home to the CPC office and administers the Fund.

**Mary Shannon Brown, Secretary**  
Class Proceeding Committee  
(416) 598-1550  
mbrown@lawfoundation.on.ca

**Gina Papageorgiou, Counsel**  
Class Proceedings Committee  
416-595-1425  
gpapageorgiou@lawfoundation.on.ca

For more information on the CPC please contact:  
**CPC c/o The Law Foundation of Ontario**  
20 Queen Street West, Suite 3002, Toronto, ON M5H 3R3  
Tel. (416) 595-1425

# Report on Class Proceedings

As required by O.Reg.771/92,s.13, we report as follows:

## 1) NUMBER OF NEW APPLICATIONS, BY STAGE IN THE PROCEEDING

	Stage in the Proceeding	Number of New Applications	
	2007	2006	
Pre Certification	4	4	
Appeal re: Certification	1	—	
Discovery	—	—	
Determination of Common Issues	1	—	
Appeal re: Common Issues	—	—	
Post Common Issue Stage	—	—	

Note: This section reports on new applications for funding received but not necessarily decided in 2007.

## 2) NEW APPLICATIONS GRANTED AND REFUSED, BY STAGE IN THE PROCEEDING

Stage in the Proceeding		Granted	Refused	Withdrawn	Pending*/ Stayed, etc
Pre Certification	2007	2	—	—	2
	2006	2	—	1	1
Discovery	2007	—	—	—	—
	2006	—	—	—	—
Other	2007	—	1	—	1
	2006	—	—	—	—

\*Carried forward to the next year.

Note: As per regulation 771/92, this section reports only on the status/outcome in new applications received in 2007 and does not include information on applications received in other years, but disposed of in 2007.

- 3) In 2007 financial support was awarded to two new single action applications under section 59.3(1) of the Act and financial support was awarded under section 59.3(5) of the Act. In 2006 financial support was awarded to five single action three supplementary funding applications under section 59.3(1) of the Act and financial support was awarded for three supplementary funding applications under section 59.3(5) of the Act.

Note: This section reports on awards made in all applications considered by the CPC in 2007.

# Report on Class Proceedings

## 4) TOTAL AWARDS\*, BY DISBURSEMENT TYPE

Type of Disbursement	Total Amount Awarded	
	2007	2006
Notice to Class	\$ 61,928.77	\$ 4,895.00
Research & Preparation of Evidence	(85.00)	9,500.00
Copy and Binding	(55,675.41)	14,309.14
Service of Court Documents	883.88	5,596.10
Filing of Court Documents	(902.02)	3,162.00
Computer Research	(7,011.64)	0.00
Facsimile Charges	(1,242.08)	1,707.10
Examiners' Charges	4,454.62	22,268.59
Experts' Fees	(44,129.19)	57,832.93
Searches	(205.17)	200.00
Deliveries	(1,478.63)	2,502.65
Miscellaneous	(3,847.99)	3,324.79
Travel Expense	10,484.24	13,412.78
S.C.C. Security	0.00	(500.00)
Agency Fees	0.00	(500.00)
Goods and Services Tax	(10,431.52)	6,456.91
<b>TOTAL</b>	<b>(\$47,257.14)</b>	<b>\$144,167.99</b>

Note: \*Amounts shown are net of recovered/cancelled awards previously awarded.

As per regulation 771/92, this section includes only amounts awarded during 2007. Total amounts paid out of CPF during 2007 may vary as amounts awarded are reimbursed to applicants on a going basis after funded disbursement have been duly incurred and paid by the applicant.

- 5) The total amount of money paid from the Class Proceedings Fund to applicants under section 59.3 of the Act: 2007, \$119,480.19; 2006, \$265,903.02. At December 31, 2007, the balance of all awards outstanding which had not yet been paid to applicants was \$497,791.00.
- 6) In 2007, three applicants who received financial support under section 59.3 of the Act before the proceeding were certified as class proceedings, obtained certification for the proceedings before December 31, 2007.
- 7) Of the applicants who received financial support under section 59.3 of the Act:
  - i) no applicant received judgement on common issues in their favour at trial during 2007, and
  - ii) no applicant settled their proceedings during 2007.
- 8) In 2007, four defendants made applications to the Class Proceedings Fund for payment of costs awards made in their favour pursuant to section 59.4 of the Act; one application was received in 2006.
- 9) \$27,083.00 was paid from the Fund to defendants under section 59.4 of the Act in 2007 and \$25,544.96 was paid in 2006.

# Report on Class Proceedings

## 10) Proceedings for which plaintiff was awarded financial support under section 59.3 of the Act.

Type of Disbursement	A M O U N T A W A R D E D *		
	2007 Case A	2007 Case B	2007 Case C
Notice to Class	—	—	5,000.00
Research and Preparation of evidence	—	—	—
Copy and Binding	320.50	—	—
Service of Court Document	165.00	—	—
Filing of Court Document	—	—	—
Computer Research	—	—	—
Facsimile Charges	—	—	—
Examiners' Charges	—	—	5,000.00
Experts' Fees	—	20,835.94	—
Searches	—	—	—
Deliveries	34.29	—	—
Miscellaneous	—	—	—
Travel Expenses	—	—	—
Goods and Services Tax	31.19	—	—
SCC Security	—	—	—
Agency Fees	—	—	—
<b>Total</b>	<b>550.98</b>	<b>20,835.94</b>	<b>10,000.00</b>

### Case "A"

Alleged underpayment of deductible amount in settlement of "write-off" auto insurance claims.

### Case "B"

Alleged sale and distribution of defective computers.

### Case "C"

Alleged food poisoning.

### Case "D"

Alleged excessive interest rate charges on payday loans.

### Case "E"

Alleged criminal interest rate charged by the utility.

### Case "F"

Alleged criminal interest rate charged by the utility.

# Report on Class Proceedings

## A M O U N T A W A R D E D \*

2007	2007	2007	2007	2006
Case D	Case E	Case F	All cases	All cases
67,027.77	—	(10,099.00)	61,928.77	4,895.00
—	—	(85.00)	(85.00)	9,500.00
—	4,914.20	(60,910.11)	(55,675.41)	14,309.14
—	68.60	650.28	883.88	5,596.10
—	298.17	(1,200.19)	(902.02)	3,162.00
—	532.81	(7,544.45)	(7,011.64)	—
—	642.09	(1,884.17)	(1,242.08)	1,707.10
—	—	(545.38)	4,454.62	22,268.59
—	135,034.87	(200,000.00)	(44,129.19)	57,832.93
—	132.20	(337.37)	(205.17)	200.00
—	688.92	(2,201.84)	(1,478.63)	2,502.65
—	—	(3,847.99)	(3,847.99)	3,324.79
—	6,829.65	3,654.59	10,484.24	13,412.78
—	10,204.08	(20,666.79)	(10,431.52)	6,456.91
—	—	—	—	(500.00)
—	—	—	—	(500.00)
67,027.77	159,345.59	(305,017.42)	(47,257.14)	144,167.99

### The Members of the Committee during 2007 consisted of:



**Appointed jointly by the Law Foundation and the Attorney General:**  
**Valerie A. Edwards, Chair**  
 Torkin, Manes, Cohen & Arbus LLP  
 Barristers and Solicitors  
 Toronto, Ontario



**Appointed by the Attorney General:**  
**F. Paul Morrison**  
 McCarthy Tétrault  
 Barristers and Solicitors  
 Toronto, Ontario



**Wendy J. Earle**  
 Borden Ladner Gervais LLP  
 Barristers and Solicitors  
 Toronto, Ontario



**Appointed by The Law Foundation of Ontario:**  
**Professor Lorne Sossin**  
 Faculty of Law  
 University of Toronto  
 Toronto, Ontario



**James L. Vigmond**  
 Oatley, Vigmond LLP  
 Barristers and Solicitors  
 Barrie, Ontario

# The Law Foundation of Ontario

## Financial Statements

December 31, 2007

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# Auditor's Report

*To: The Trustees of The Law Foundation of Ontario*

We have audited the statement of financial position of The Law Foundation of Ontario as at December 31, 2007 and the statements of revenue, expenses and grants, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2007 and the results of its operations, changes in its fund balances and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2006 and for the year then ended were audited by Mintz & Partners LLP, who expressed an opinion without reservation on those financial statements in their report dated March 19, 2007.

*Deloitte & Touche LLP*

Toronto, Ontario  
April 2, 2008

*Deloitte & Touche LLP*  
Chartered Accountants  
Licensed Public Accountants

# Statement of Financial Position

## ASSETS

<i>As at December 31</i>	<b>2007</b>	<b>2006</b>
	\$	\$
<b>Current</b>		
Cash	1,207,400	811,832
Externally restricted cash for Pro Bono Law Ontario Fund	—	136,659
Current portion of externally restricted cash and short-term investments for Class Proceedings Fund <i>(Note 3)</i>	497,793	332,622
Short-term investments <i>(Note 5)</i>	41,741,583	31,233,730
Marketable securities, at cost - market value – \$9,712,952 (2006-\$9,470,637) <i>(Note 5)</i>	9,702,311	9,389,344
Interest receivable	544,567	472,903
	53,693,654	42,377,090
<b>Externally restricted cash and short-term investments for class proceeding fund <i>(Note 3)</i></b>	6,492,744	4,297,206
<b>Externally restricted cash and short-term investments for Roy &amp; Ria McMurtry Endowment Fund <i>(Note 4)</i></b>	123,195	118,114
<b>Property and equipment <i>(Note 6)</i></b>	353,467	349,909
<b>Total Assets</b>	<b>60,663,060</b>	<b>47,142,319</b>

## LIABILITIES

<b>Current</b>		
Accounts payable and accrued liabilities	147,318	91,110
Due to Legal Aid Ontario <i>(Note 7)</i>	447,617	561,931
Grants authorized <i>(Note 8)</i>	13,989,076	11,050,622
	14,584,011	11,703,663
Long-term grants authorized <i>(Note 8)</i>	675,084	395,260
<b>Total Liabilities</b>	<b>15,259,095</b>	<b>12,098,923</b>

*See Accompanying Notes*

# Statement of Financial Position

## FUND BALANCES

<i>As at December 31</i>	<b>2007</b>	<b>2006</b>
	\$	\$
<b>Internally Restricted Fund Balances</b>		
Reserve Fund (Note 9)	12,239,154	11,685,165
Future Commitment Fund (Note 10)	6,495,899	3,978,732
Public Interest Articling Fellowships Fund (Note 11)	727,500	1,214,000
Strategic Initiative Fund (Note 12)	15,861	2,995,000
Debt Repayment Fund (Note 13)	745,000	925,000
Rejuvenation Fund (Note 14)	2,977,500	–
	<b>23,200,914</b>	<b>20,797,897</b>
<b>Externally restricted fund balances</b>		
Class Proceedings Fund (Note 15)	6,452,000	4,273,926
Roy and Ria McMurtry Endowment Fund (Note 16)	119,046	118,846
	<b>6,571,046</b>	<b>4,392,772</b>
<b>Total Restricted Fund Balances</b>	<b>29,771,960</b>	<b>25,190,669</b>
<b>Unrestricted Fund Balance - General Fund</b>	<b>15,632,005</b>	<b>9,852,727</b>
<b>Total Fund Balances</b>	<b>45,403,965</b>	<b>35,043,396</b>
<b>Total Liabilities Plus Fund Balances</b>	<b>60,663,060</b>	<b>47,142,319</b>

*Approved on behalf of the board:*

*Larry Banack* – Chair

*Mark Leach* – Trustee

# Statement of Revenue, Expenses and Grants

<i>For the year ended Dec. 31, 2007</i>	Internally Restricted - Reserve Fund \$	(Note 18) Internally Restricted Funds \$	Unrestricted General Fund \$	Externally Restricted - Class Proceedings Fund \$	Restricted Roy and Ria McMurtry Endowment Fund \$	Total \$
<b>Revenue</b>						
Interest on lawyers' mixed trust accounts, net of service charges of \$2,863,350 (Note 17)	—	—	76,895,797	—	—	76,895,797
Other interest	551,708	—	1,822,356	295,047	5,200	2,674,311
Levy on awards (Note 15)	—	—	—	1,971,192	—	1,971,192
Amortization of bond discount	2,281	—	—	—	—	2,281
	<b>553,989</b>	<b>—</b>	<b>78,718,153</b>	<b>2,266,239</b>	<b>5,200</b>	<b>81,543,581</b>
<b>Expenses</b>						
Salaries	—	—	743,407	78,999	—	822,406
Rent and occupancy	—	—	187,731	10,077	—	197,808
Other administrative	—	—	172,927	19,263	—	192,190
Professional fees	—	—	195,614	—	—	195,614
Printing and office supplies	—	—	25,270	—	—	25,270
Cost awards (Note 15)	—	—	—	27,083	—	27,083
Amortization	—	—	54,025	—	—	54,025
	<b>—</b>	<b>—</b>	<b>1,378,974</b>	<b>135,422</b>	<b>—</b>	<b>1,514,396</b>
Excess of revenue over expenses before the following	<b>553,989</b>	<b>—</b>	<b>77,339,179</b>	<b>2,130,817</b>	<b>5,200</b>	<b>80,029,185</b>
Allocation to Legal Aid Ontario (Note 7)	—	—	56,637,617	—	—	56,637,617
Grants authorized, net of reversal of grants authorized in prior years (Note 8)	—	4,639,956	8,433,300	(47,257)	5,000	13,030,999
	<b>—</b>	<b>4,639,956</b>	<b>65,070,917</b>	<b>(47,257)</b>	<b>5,000</b>	<b>69,668,616</b>
Excess (deficiency) of revenue over expenses and grants for the year	<b>553,989</b>	<b>(4,639,956)</b>	<b>12,268,262</b>	<b>2,178,074</b>	<b>200</b>	<b>10,360,569</b>
<i>See Accompanying Notes</i>						

# Statement of Revenue, Expenses and Grants

	Internally Restricted -Reserve Fund	(Note 18) Internally Restricted Funds	Externally Unrestricted - General Fund	Externally Restricted - Class Proceedings Fund	Externally Restricted - Pro Bono Law Ontario Fund	Externally Restricted - Roy and Ria McMurtry Endowment Fund	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>							
Interest on lawyers' mixed trust accounts, net of service charges of \$2,863,475 (Note 17)	—	—	63,366,037	—	—	—	63,366,037
Other interest	525,579	—	1,224,533	180,358	4,888	4,716	1,940,074
Grant to be returned to Legal Aid Ontario	—	—	—	—	(14,698)	—	(14,698)
Levy on awards (Note 15)	—	—	—	906	—	—	906
Amortization of bond discount	5,765	—	—	—	—	—	5,765
	531,344	—	64,590,570	181,264	(9,810)	4,716	65,298,084
<b>Expenses</b>							
Salaries	—	—	435,186	43,176	—	—	478,362
Rent and occupancy	—	—	104,224	1,086	—	—	105,310
Other administrative	—	—	131,038	15,722	2,444	—	149,204
Professional fees	—	—	180,602	—	—	—	180,602
Printing and office supplies	—	—	14,591	—	—	—	14,591
Cost awards (Note 15)	—	—	—	25,545	—	—	25,545
Amortization	—	—	33,990	—	—	—	33,990
	—	—	899,631	85,529	2,444	—	987,604
Excess of revenue over expenses before the following	531,344	—	63,690,939	95,735	(12,254)	4,716	64,310,480
Allocation to Legal Aid Ontario (Note 7)	—	—	46,849,804	—	—	—	46,849,804
Grants authorized, net of reversal of grants authorized in prior years (Note 8)	—	1,913,055	7,074,669	144,167	(29,396)	1,990	9,104,485
	—	1,913,055	53,924,473	144,167	(29,396)	1,990	55,954,289
Excess (deficiency) of revenue over expenses and grants for the year	531,344	(1,913,055)	9,766,466	(48,432)	17,142	2,726	8,356,191

See Accompanying Notes

# Statement of Changes in Fund Balances

2007 Internally Restricted Funds										
	Reserve Fund	Debt Repayment Fund	Public Interest Articling Fellowships Fund	Future Commitment Fund	Strategic Initiative Fund	Rejuvenation Fund	Unrestricted General Fund	Externally Restricted Class Proceedings Fund	Externally Restricted Roy and Ria McMurtry Endowment Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Fund balances -Beginning of Year</b>	11,685,165	925,000	1,214,000	3,978,732	2,995,000	—	9,852,727	4,273,926	118,846	35,043,396
Excess (deficiency) of revenue over expenses, and grants for the year	553,989	(180,000)	(486,500)	(971,817)	(2,979,139)	(22,500)	12,268,262	2,178,074	200	10,360,569
Net Allocations	—	—	—	3,488,984	—	3,000,000	(6,488,984)	—	—	—
<b>Fund balances -End of year</b>	12,239,154	745,000	727,500	6,495,899	15,861	2,977,500	15,632,005	6,452,000	119,046	45,403,965

2006 Internally Restricted Funds										
	Reserve Fund	Debt Repayment Fund	Public Interest Articling Fellowships Fund	Future Commitment Fund	Strategic Initiative Fund	Unrestricted - General Fund	Externally Restricted - Class Proceedings Fund	Externally Restricted - Pro Bono Law Ontario Fund	Externally Restricted - Roy and Ria McMurtry Endowment Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Fund Balances -Beginning of Year</b>	11,153,821	—	1,561,500	1,984,511	3,150,000	4,397,517	4,322,358	1,378	116,120	26,687,205
Excess (deficiency) of revenue over expenses, and grants for the year	531,344	—	(347,500)	(1,410,555)	(155,000)	9,766,466	(48,432)	17,142	2,726	8,356,191
Net Allocations	—	925,000	—	3,404,776	—	(4,311,256)	—	(18,520)	—	—
<b>Fund Balances -End of Year</b>	11,685,165	925,000	1,214,000	3,978,732	2,995,000	9,852,727	4,273,926	—	118,846	35,043,396

See Accompanying Notes

# Statement of Cash Flows

<i>As at December 31</i>	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>		
Excess of revenue over expenses and grants for the year	10,360,569	8,356,191
Add item not involving cash		
Amortization expenses	54,025	33,990
Amortization of bond discount	2,281	5,765
	<b>10,416,875</b>	<b>8,395,946</b>
Changes in non-cash balances relating to operations		
Accrued interest receivable	(71,664)	(304,576)
Due from Legal Aid Ontario	(114,314)	(4,879)
Accrued liabilities	64,924	40,170
Interest payable to Legal Aid Ontario	(8,715)	2,442
Grants authorized	3,218,277	847,411
	<b>13,505,383</b>	<b>8,976,514</b>
<b>Cash provided by operating activities</b>		
<b>Investing Activities</b>		
Increase in short-term investments	(10,507,853)	(7,956,278)
Increase in marketable securities	(315,248)	(840,606)
Decrease (increase) in externally restricted cash for		
Pro Bono Law Ontario Fund	136,659	(4,628)
(Increase) decrease in current portion of externally restricted cash and Short-term investments for Class Proceedings Fund	(165,171)	118,713
(Increase) decrease in externally restricted cash and short-term investments for Class Proceedings Fund	(2,195,538)	44,125
Increase in externally restricted cash and short-term investment for Roy & Ria McMurty Endowment Fund	(5,081)	(2,257)
Purchase of property and equipment	(57,583)	(322,888)
	<b>(13,109,815)</b>	<b>(8,963,819)</b>
<b>Cash used in investing activities</b>		
<b>Net increase (decrease) in cash during the year</b>	<b>395,568</b>	<b>12,695</b>
<b>Cash - beginning of year</b>	<b>811,832</b>	<b>799,137</b>
<b>Cash - end of year</b>	<b>1,207,400</b>	<b>811,832</b>

# Notes to Financial Statements

December 31, 2007

## 1) PURPOSE OF THE ORGANIZATION

The Law Foundation of Ontario (the “Foundation”) was established in 1973, under an amendment to the Law Society Act, as a corporation without share capital. The Foundation was created to receive interest accruing on monies held in lawyers’ mixed trust accounts and to establish and maintain a fund to be used for the purposes of legal education and legal research, legal aid and the establishment, maintenance and operation of law libraries. The Foundation is a not-for-profit organization under subsection 149(1)(1) of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The Foundation follows generally accepted accounting principles of The Canadian Institute of Chartered Accountants for not-for-profit organizations. The significant accounting policies are summarized below:

### a) Revenue Recognition

The Foundation follows the restricted method of accounting for revenue. Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated. Endowment contributions are recognized as direct increases in endowment net assets.

### b) Fund Balances

The Reserve Fund, Future Commitment Fund, Public Interest Articling Fellowships Fund, the Strategic Initiative Fund, Debt Repayment Fund and Rejuvenation Fund are internally restricted funds (Notes 9, 10, 11, 12, 13 and 14). The Class Proceedings Fund and the Roy & Ria McMurtry Endowment Fund are externally restricted funds (Notes 15 and 16).

### c) Interest Earned On Lawyers’ Mixed Trust Accounts.

The interest earned on lawyers’ mixed trust accounts is calculated and remitted to the Foundation based on agreements made with individual financial institutions. The lawyers’ mixed trust accounts are not the property of, nor administered by, the Foundation. The Foundation is, therefore, unable to determine the amount of interest that is accruing until such time as it is advised by each individual financial institution and statutory filings are received from the lawyers. Such interest is therefore, recorded when determinable by the Foundation.

### d) Grants

Grants for legal education, legal aid, legal research and law libraries are recorded in the period in which they are authorized.

### e) Levy On Awards

The Class Proceedings Fund is entitled to a 10% levy on any award or settlement to the plaintiff in a funded action. The levy on awards is recorded when determinable by the Foundation.

### f) Property and Equipment

Property and equipment is carried at cost less accumulated depreciation and amortization. Furniture and fixtures are depreciated on a declining balance basis at 20% per annum. Computer hardware and software are depreciated on a straight-line basis over their estimated useful lives of three years. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

# Notes to Financial Statements

## g) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 balance sheet date and the reported amounts of revenues and expenses during the year, i.e. The company relies on bank statements to record the interest revenue earned on lawyers' mixed trust accounts. Actual results could differ from those estimates.

## h) Changes to accounting policy

Effective January 1, 2007, the Foundation adopted the new recommendation of The Canadian Institute of Chartered Accountants "CICA" Handbook Section 3855 – Financial Instruments – Recognition and Measurement. In accordance with the transitional provision of the new standard, prior period financial statements were not restated. There was no material impact resulting from adopting this new recommendation.

### Section 3855 – Financial Instruments – Recognition and Measurement

Under the new standard, while financial assets and financial liabilities are initially recognized at fair value, they are subsequently revalued based on their classification and readjusted to account for any changes in their value. The classification of the financial assets and liabilities depends on the purpose for which the financial instruments were acquired and their characteristics. Section 3855 provides guidance on the recognition and measurement of financial assets, financial liabilities and derivative instruments.

### Held-for-trading

Financial assets and financial liabilities in this classification are acquired with the intention of generating profits. The Foundation may also designate as held-for-trading, upon initial recognition, any financial instrument whose fair value can be reliably measured. These instruments are accounted for at fair value with the change in the fair value from short-term fluctuation in price recognized immediately in excess (deficiency) of revenue over expenses and grants.

### Held-to-maturity

Financial instruments included in this category have fixed maturity and fixed or determinable payments and management intends and has the ability to hold these instruments to maturity. The financial assets classified as held-to-maturity are measured at amortized cost using the effective interest method and the gain or loss is recognized immediately in excess (deficiency) of revenue over expenses and grants.

### Loans and receivables and other liabilities

This category includes all loans and receivables, except debt securities, and other liabilities that are not classified as held-for-trading. They are measured at amortized cost using the effective interest method and the gain or loss is recognized immediately in excess (deficiency) of revenue over expenses and grants.

### Available-for-sale

Financial assets classified as available-for-sale are carried at fair value which represents the bid price when financial assets are quoted in active markets. For available-for-sale investments in equity securities for which there is no quote in active markets, they are measured at cost. The gain or loss originating from subsequent measurement is recognized in change in fund balances and is transferred to excess (deficiency) of revenue over expenses and grants when the asset is derecognized. Any unrealized gain or loss of foreign exchange related to

# Notes to Financial Statements

available-for-sale financial instruments is also recognized in change in fund balances and transferred to net income or loss when the asset is derecognized. Impairment write-downs relating to available-for-sale financial instruments are immediately recognized in excess (deficiency) of revenue over expenses and grants.

As at January 1, 2007, the Foundation has elected the following classifications for its financial assets and liabilities:

## Financial assets

	Classification	Measurement
<b>Financial Assets</b>		
Cash	Held for Trading	Fair value
Interest receivable	Loans and receivables	Amortized cost
Cash and Short term investment for Class-Proceeding Fund	Held-to-Maturity	Amortized cost
Short term investment	Held-to-Maturity	Amortized cost
Marketable Securities	Held-to-Maturity	Amortized cost
Cash and Investments for Roy & Ria McMurtry Endowment Fund	Available for sale	Fair value

## Financial Liabilities

Accrued liabilities	Loans and receivables	Amortized cost
Due to Legal Aid Ontario	Loans and receivables	Amortized cost
Grants authorized	Loans and receivables	Amortized cost

### 3. EXTERNALLY RESTRICTED CASH AND SHORT-TERM INVESTMENTS FOR CLASS PROCEEDINGS FUND

Restricted cash and short-term investments consist of cash and bankers acceptances with similar terms as described in note 5 and is externally restricted for Class Proceedings Fund grants. Payments are subject to approval of grant and fulfillment of grant terms. Included in restricted cash is \$497,793 (2006 – \$332,622) which has been authorized as grants to be paid in the 2008 fiscal year.

### 4 EXTERNALLY RESTRICTED CASH AND INVESTMENTS FOR ROY & RIA McMURTRY ENDOWMENT FUND

Restricted cash and investments consist of cash, fixed income securities and equities. Payments are based on income earned in the prior year. The fixed income securities are comprised of bonds and deposit notes which mature between December 15, 2008 and March 8, 2015 and the coupon rates range from 4% to 4.69%.

	2007	2006
Restricted cash	\$ 11,599	\$ 3,994
Fixed Income Investment	69,965	70,262
Equities	41,631	43,858
Total	\$ 123,195	\$ 118,114

# Notes to Financial Statements

## 5. SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

The Foundation's short-term investments comprise cash and bankers acceptances of \$41,741,583 (2006 - \$31,233,730). The effective yields on these investments range from 4.53% to 4.82% and mature within one year.

The Foundation's marketable securities are comprised of bonds of \$9,702,311 (2006 - \$9,389,344), which mature between March 15, 2008 and March 8, 2016 and can be liquidated at any time. The coupon rates range from 3.55% to 6.65%.

The Foundation has followed a Statement of Investment Policies, which provides the investment objectives, performance expectations and guidelines for the management of these investments. The Statement of Investment Policies requires that all investments must fall within the Trustee Act of Ontario and requires that certain additional restrictions must be met.

## 6. PROPERTY AND EQUIPMENT

	Cost \$	Accumulated Amortization \$	Net Carrying Amount 2007 \$	2006 \$
Furniture and fixtures	199,176	83,597	115,579	92,873
Computer hardware	93,054	70,324	22,730	18,124
Computer software	42,767	39,204	3,563	3,368
Leasehold improvements	259,665	48,070	211,595	235,544
	594,662	241,195	353,467	349,909

## 7. DUE TO LEGAL AID ONTARIO

Pursuant to Section 55(3) of the Law Society Act (R.S.O. 1990, Chapter L.8), 75% of the net revenue received during the year from interest received on lawyers' mixed trust accounts, less operating expenses, is to be paid to Legal Aid Ontario. The provision for the share of net revenue payable to Legal Aid Ontario is recorded annually in the Foundation's accounts.

	2007 \$	2006 \$
Interest on lawyers' mixed trust accounts (net of service charges)	76,895,797	63,366,037
Expenses	(1,378,974)	(899,631)
Interest after expenses	75,516,823	62,466,406
Due to Legal Aid Ontario – Beginning of year	561,931	566,810
75% allocation to Legal Aid Ontario	56,637,617	46,849,804
Paid to Legal Aid Ontario during the year	(56,769,494)	(46,869,381)
Due to Legal Aid Ontario	430,054	547,233
Cancellation of Unexpended grants in PBLO fund	17,563	14,698
Due to Legal Aid Ontario – End of year	447,617	561,931

# Notes to Financial Statements

## 8. GRANTS AUTHORIZED

Grants authorized consist of the following:

	Unrestricted \$	PBLO \$	Debt Repayment \$	Future Commitment \$	Rejuvenation \$
Opening	10,379,720	14,000	—	—	—
Grants Authorized	9,841,866	—	180,000	971,817	22,500
Adverse Cost	—	—	—	—	—
Payments	(7,643,715)	—	(25,000)	(971,817)	—
Grants reversed	(1,408,566)	(14,000)	—	—	—
Ending Grants Authorized	11,169,305	—	155,000	—	22,500
Less:					
Long-term Grants Authorized	(270,539)	—	(90,000)	—	—
Current Grant Authorized	10,898,766	—	65,000	—	22,500

# Notes to Financial Statements

Roy & Ria McMurty \$	Strategic Initiatives \$	Public Interest Articling \$	Class Proceeding \$	2007 Total \$	2006 Total \$
—	155,000	564,540	332,622	11,445,882	10,598,471
5,000	2,979,139	486,500	257,760	14,744,582	9,340,374
—	—	—	—	—	—
—	(867,975)	(502,640)	(119,480)	(10,130,627)	(8,257,074)
—	—	—	26,889	(1,395,677)	(235,889)
5,000	2,266,164	548,400	497,791	14,664,160	11,445,882
—	(314,545)	—	—	(675,084)	(395,260)
5,000	1,951,619	548,400	497,791	13,989,076	11,050,622

# Notes to Financial Statements

## 9. RESERVE FUND

In 1981, the Trustees of the Foundation established a fund to provide for future contingencies and future beneficiaries of its statutory objects that relate to legal education, legal research and law libraries. This fund was created and has been maintained from the 25% of net revenue intended to be made available for those beneficiaries.

## 10. FUTURE COMMITMENT FUND

In 2004, the Trustees of the Foundation established a fund to hold funds which have been allocated from the unrestricted General Fund to budget for funding plans extending beyond one year. Multi-year funding plans will continue to be formally approved and booked on a year-by-year basis, but the funds will come out of the future commitment fund rather than the unrestricted General Fund.

## 11. PUBLIC INTEREST ARTICLING FELLOWSHIPS FUND

In 2005, the Trustees of the Foundation established a fund for the Public Interest Articling Fellowships program, for an initial term of four years. The Fellowships have been awarded only to those qualifying organizations that do not have access to other resources with respect to funding articling positions. The sum of \$2,000,000 was allocated from unrestricted fund to fund the initial four year period.

## 12. STRATEGIC INITIATIVE FUND

In 2005, the Trustees of the Foundation established a fund to hold funds which have been allocated from the unrestricted General Fund to budget for new strategic initiative projects.

## 13. DEBT REPAYMENT FUND

In 2006, the Trustees of the Foundation established a fund to assist recent law graduates meet their education debt repayment obligation. Only those who pursue their career in the field of public interest law in Ontario are eligible for this fund. The source of this fund came from the unrestricted General Fund.

## 14. REJUVENATION FUND

In 2007, the Rejuvenation Fund was created for the purpose of providing both human and organizational infrastructure support for optimum performance and efficiency, and includes such things as professional development, consulting services, technology upgrades and capital acquisitions and improvements. The source of this fund comes from the unrestricted General Fund.

## 15. CLASS PROCEEDINGS FUND

The Class Proceedings Fund (the "Fund") came into being in 1993 under an amendment to the Law Society Act to provide financial support to plaintiffs in class proceedings in respect of disbursements incurred and payments made to defendants regarding cost awards made against the funded plaintiffs. In the event a funded action settles or wins an award, disbursement award grants already paid are recoverable, and outstanding disbursement grant awards payable are cancelled. As well, the Fund is entitled to a 10% levy on any award or settlement to the plaintiff in a funded action.

In 2007, the Fund recovered a previous year's disbursement award grant payment of \$331,907 (2006 - \$4,453). The Fund paid cost awards of \$27,083 (2006 - \$25,545) as a result of cost awards made against funded plaintiffs. The Fund received a levy on awards of \$1,971,192 (2006 - \$906) as a result of settlements to funded plaintiffs.

# Notes to Financial Statements

## 16. THE ROY & RIA MCMURTRY ENDOWMENT FUND

In 2005, The Law Foundation of Ontario created the Roy & Ria McMurtry Endowment Fund in honour of the Chief Justice and Mrs. McMurtry, upon his receipt of the 2005 Law Foundation of Ontario Guthrie Award. From the interest earned on the Fund, awards will be made in support of work within the Law Foundation's objects, of an organization chosen by then Chief Justice and Mrs. McMurtry.

## 17. INTEREST ON LAWYERS' MIXED TRUST ACCOUNTS

The Law Foundation of Ontario negotiates with each financial institution for interest rates of return and service charges in order to achieve a net competitive rate of return.

## 18. INTERNALLY RESTRICTED FUNDS – GRANTS AUTHORIZED

	2007	2006
Public Interest Articling Fellowships Fund	\$ 486,500	\$ 347,500
Strategic Initiatives Fund	2,979,139	155,000
Debt Repayment Fund	180,000	—
Future Commitment Fund	971,817	1,410,555
Rejuvenation Fund	22,500	—
	<b>\$ 4,639,956</b>	<b>\$1,913,055</b>

## 19. LEASE COMMITMENTS

The Foundation has obligations under a non-cancellable operating lease. The future minimum annual lease payments for premises in each of the next nine years are approximately as follows:

	\$
2008	89,000
2009	89,000
2010	89,000
2011	91,500
2012	96,600
Subsequent	359,500

## 20. CONTINGENCIES

Once funding has been granted by the Class Proceedings Committee to a plaintiff in a class action, the Class Proceedings Fund (the "Fund") becomes potentially liable for adverse cost awards against the plaintiff in the action. As at December 31, 2007 the Fund remained exposed to potential adverse cost awards in funded actions. In all actions, the likelihood of loss is indeterminable. Any loss will be booked in the year it is determinable.

# Notes to Financial Statements

## 21. FINANCIAL INSTRUMENTS

### Fair value

The Foundation's carrying value of cash, short-term investments, marketable securities, due to Legal Aid Ontario, accrued interest receivable, interest payable and accrued liabilities approximates its fair value due to the immediate or short-term maturity of these instruments.

### Interest rate risk

The Foundation is exposed to interest rate risk with respect to its short-term investments. Changes in the prime interest rate will have a positive or negative impact on the Foundation's interest income. Such exposure will increase accordingly should the Foundation maintain higher levels of short-term investments in the future.

## 22. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.