



New Brunswick  
Law Foundation

Fondation pour le droit  
au Nouveau-Brunswick

Annual Report **2020-2021**







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Law Foundation

Fondation pour le droit  
au Nouveau-Brunswick

As Chair of the New Brunswick Law Foundation, I am pleased to present the Annual Report for the fiscal year ended April 30, 2021.

The Foundation's central focus is to receive and distribute funding to support initiatives that will improve access to justice for the people of New Brunswick. Revenues are primarily derived from interest earned on lawyers' mixed trust accounts maintained in financial institutions. The Board meets twice during the year to review grant requests and to determine investment and general administrative policies.

Revenues are tied to the prime lending rate set by the Bank of Canada. Decreases in the bank's prime rate in March 2020 resulted in a significant decline in interest revenue in 2020-21 to \$498k from a high of \$1.6M in the previous fiscal year. This decline was less severe than anticipated, due to higher trust account balances resulting from brisk business and real estate activity.

In order to moderate the effect of downturns in revenues, the Foundation maintains a reserve fund which is invested in marketable securities with a wealth manager. Revenue forecasts are closely monitored by the Board throughout the fiscal year. The Foundation has sufficient reserves and conservative operating costs which will allow current grant levels to be sustained for the foreseeable future.

During the fiscal year 2020-21, the Foundation reviewed seventeen applications for funding, of which fifteen were approved, for a total of \$667,126 in grants. Details of these programs and projects are included in this report. I encourage those who would have innovative programs or projects that are in keeping with the Foundation's mandate to contact the Foundation office to obtain more information on project funding. Application forms and guidelines are available on the New Brunswick Law Foundation's website at [www.nblf-fdnb.ca](http://www.nblf-fdnb.ca)

The accounts of the Foundation have been examined by the accounting firm of Bringloe Feeney LLP. The audited financial statements for the fiscal year form part of this report.

Finally, I would like to thank the Foundation's Directors for their time, interest, and collaborative spirit throughout the year. I also acknowledge the ongoing support provided by the Law Society of New Brunswick and its staff. I am especially grateful for the essential and professional support provided by our Executive Director, Christa Greer.

**Patrick Ervin**  
*Chairperson*



## Purpose

The New Brunswick Law Foundation (Foundation) was established in 1975 by an amendment to the Barristers' Society Act (now the Law Society Act, 1996). By legislation, this amendment directed that the interest earned on lawyers' mixed trust accounts be paid to the Foundation.

The purposes for which the Foundation's funds can be used are stipulated by statute. These are:

- Legal aid
- Legal research
- Legal education
- Law reform
- Law libraries
- Bursaries and scholarships for the study of law
- All other things that are, in the opinion of the Board, incidental or conducive to the attainment of the purposes referred to above.

*"Your gift... is a true investment in the success of those students who are beginning to see their academic dreams and career aspirations take shape. Many could not accomplish their goals without your generous support."*

— UNB

## Board of Directors

The Foundation is administered by a board of directors appointed by the Law Society of New Brunswick. Five directors, including the chairperson, are required to be members of the Law Society and two directors are appointed as public representatives. At year-end on April 30, 2021, the members of the Board of Directors were:

Patrick Ervin, Chairperson	Art Gallant*
Honourable François Angers, Q.C.	Holly Young*
Heather Black, Treasurer	Vacant position
Gilles Bujold	

\*Public representative

The Directors meet as required to review grant applications and to determine investment and general administrative policies. One part-time staff member, Christa Greer, fills the role of Executive Director and administers the day-to-day operations.

## Meetings of the Board

The Board of Directors met twice during fiscal year 2020-21 to consider grant applications and to review and formulate investment and administrative policies.

## Revenues

The Foundation derives its revenues primarily from the interest on lawyer's mixed trust accounts maintained at financial institutions. The interest calculated by the financial institutions is based on interest rates and terms negotiated by the Foundation. In general, the interest rates that the Foundation currently

receives are equal to the prime rate minus a range of between 2.15% to 3.25%, with an agreed upon minimum rate. Basic service fees are waived by most institutions while others continue to deduct such charges. Monitoring and negotiation of the rates and fees continue both provincially and nationally. The national efforts are coordinated through the Association of Canadian Law Foundations, of which the Foundation is a member.

## Grants Policy

The Foundation funds projects and programs that are consistent with its statutory purposes and offer benefits to the people of New Brunswick. The Law Society Act, 1996 requires the Foundation use its funds for the purposes of legal aid, legal research, legal education, law reform, law libraries, and bursaries and scholarships for the study of law.

The Foundation accepts grant applications in January and May of each year for consideration by its Board of Directors at regularly scheduled Board meetings. The Foundation may fund projects and programs meeting these criteria that are national or international in scope if they are also funded by other law foundations, law societies or governments.

*"We are extremely grateful for the ongoing support provided to our clinic... This funding will allow us to recover from the unprecedented impact of COVID-19 and allow us to continue serving those at-risk persons and their families in New Brunswick who need our assistance now more than ever."*

— New Brunswick Refugee Clinic

Grantees must be not-for-profit organizations. Grants will not be made to an individual (except as the recipient of a bursary or scholarship), government department or commercial enterprise.

Successful Applicants will be required to enter into a letter of agreement with the Foundation in a form approved by the Board of Directors of the Foundation. The letter of agreement will set out the terms and conditions governing the Grant.

Unless otherwise specifically agreed to by the Foundation in extraordinary circumstances and set out in the letter of agreement, the period for each Grant is one year and cannot be renewed without reapplication by the Grantee.

## Loan to the Law Society Of New Brunswick

In August 2016, the Foundation renewed a loan to the Law Society of New Brunswick which had originally been made to assist in the financing of the acquisition of the Law Society's office premises. The loan, which is at market rates, matures in August 2021.

## Reserve Fund

The Foundation has maintained a reserve fund to minimize fluctuations in the funds available for distribution. The investment of this fund is professionally managed and the balance at the beginning of this fiscal year was \$2,596,330. This year due to significant market fluctuations, there was an investment gain on the reserve fund of \$668,985 bringing the balance of the fund to \$3,265,315 at April 30, 2021.

## Financial Highlights

### REVENUE

Source	2020-21	2019-20
Interest from Lawyers' mixed trust accounts	\$493,218	\$1,613,523
Unclaimed trust funds	48,165	69,952
Interest from bank accounts	22,039	60,143
Interest from long-term note receivable	12,968	13,572
Investment income (loss)	984,071	(110,469)
<b>Total</b>	<b>\$1,560,461</b>	<b>\$1,646,721</b>
<b>Expenses</b>	<b>\$141,055</b>	<b>\$130,270</b>
<b>Excess of Revenues over Expenses</b>	<b>\$1,419,406</b>	<b>\$1,516,451</b>

### GRANTS

Grants awarded	\$655,424	\$952,264
Subsidy to Scholarship Fund	33,300	33,700
<b>Total Grants and Subsidies</b>	<b>\$688,724</b>	<b>\$985,964</b>

### Grants

During the year, fifteen (15) grants for a total of \$667,126 were approved to further the Foundation's objectives within law-related projects. A description of these projects is provided at the end of this report. The Foundation will continue to encourage non-profit groups to submit proposals that seek to advance access to justice for the benefit of the people of the province.

*"Thanks to the NB Law Foundation, CanLII now has 70 years of NB primary law coverage. We are grateful for the opportunity to work with supportive organizations that are passionate about making law and legal information available to everyone."*

— Canadian Legal Information Institute

### Legal Aid

Legal aid in New Brunswick is funded by the Province of New Brunswick and through grants received from the Foundation. In 2020-21, the Foundation approved a grant in the amount of \$200,000 to support family legal aid programs.

### Endowment Funds

In 1992, an endowment fund was created at each faculty of law at the University of New Brunswick and the Université de Moncton. The initial contribution was \$300,000 with additional contributions made during the subsequent years. By 2006-07 the Foundation's objective of \$1,000,000 for each endowment fund was realized.

The endowment funds are managed by a Board of Trustees that includes a member of the Board of Directors of the Foundation.

*"This gift is a significant sign of trust and an even greater support for the pursuit of our objectives in development and excellence. You are providing concrete support to talented and motivated young people who are building our society for tomorrow."*  
[Translation]

— Université de Moncton

## Scholarships And Bursaries

During the fiscal year, undergraduate scholarships and bursaries totaling \$281,400 were awarded to law students at the University of New Brunswick and the Université de Moncton. As well, funds in the amount of \$4,879 were awarded to the Dean's Emergency Fund.

The scholarship and bursary programs are funded by revenue generated by the Foundation's Scholarship Fund.

## My Sincere Gratitude...

*"I worked incredibly hard in my first year of law school... it felt wonderful to be rewarded for my hard work. Thank you very much for your dedication to academic excellence.*

*—Scholarship Recipient*

*"This has been a difficult first year of law school. The pandemic has changed what a 'normal' work week looks like and unfortunately it has largely diminished the social aspect of higher education. Your award has helped me feel supported during this isolating year and has helped motivate me to complete my studies successfully.*

*—Scholarship Recipient*

### Grants Approved 2020-21

#### LAW SOCIETY OF NEW BRUNSWICK

Translation of Discipline Committee Decisions	\$20,000
Adjudicator Online Training Program	\$25,000

#### NEW BRUNSWICK LEGAL AID SERVICES COMMISSION

Family Legal Aid Program	\$200,000
<i>To assist in the provision of domestic legal aid services to NB residents</i>	

#### PUBLIC LEGAL EDUCATION AND INFORMATION SERVICE - NB (PLEIS - NB)

Core funding and Family Law Workshops	\$90,000
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#### UNIVERSITY OF NEW BRUNSWICK - FACULTY OF LAW

Pro Bono UNB Chapter (PBSC)	\$16,564
<i>To assist in the provision of pro bono legal aid services</i>	

Summer Employment - Legal Aid Services Commission	\$8,164
<i>To hire law students to assist in the provision of legal information services</i>	

#### UNIVERSITÉ DE MONCTON - FACULTÉ DE DROIT

Programme Pro Bono de l'UdeM - Le réseau PBSC	\$19,846
<i>To assist in the provision of pro bono legal aid services</i>	

Société d'aide juridique étudiante (SAJE)	\$18,747
<i>To hire law students to assist in the provision of legal information services</i>	

#### ASSOC. DES JURISTES D'EXPRESSION FRANÇAISE DU N.-B. (AJEFNB)

Livre relatif à la règle 22 des Règles de procédure du N-B annotées	\$45,500
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#### NEW BRUNSWICK REFUGEE CLINIC

To provide legal aid services to refugees	\$90,000
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#### CANADIAN LEGAL INFORMATION INSTITUTE (CANLII)

Extending Primary Law Coverage for NB to 70 Years	\$35,690
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#### ELIZABETH FRY SOCIETY OF NEW BRUNSWICK

Volunteer Court Liaison Program	\$52,615
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#### ACTION COMMITTEE ON ACCESS TO JUSTICE

National Collaboration	\$5,000
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#### CANADIAN INSTITUTE FOR THE ADMINISTRATION OF JUSTICE (CIAJ)

Round Table on Jury Representation	\$15,000
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#### CANADIAN NATIONAL INSTITUTE FOR THE BLIND (CNIB)

Know Your Rights Program	\$25,000
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<b>TOTAL</b>	<b>\$667,126</b>
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# **New Brunswick Law Foundation**

## **Financial Statements**

**April 30, 2021**

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# New Brunswick Law Foundation

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April 30, 2021

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## Independent Auditor's Report

To: The Directors of New Brunswick Law Foundation

### *Opinion*

We have audited the financial statements of New Brunswick Law Foundation, which comprise the statement of financial position as at April 30, 2021, and the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at April 30, 2021, and its results of operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO).

### *Basis for Opinion*

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### *Auditor's Responsibilities for the Audit of the Financial Statements*

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## Independent Auditor's Report, continued

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Fredericton, New Brunswick  
June 24, 2021

  
Chartered Professional Accountants

# New Brunswick Law Foundation

Statement of Financial Position

As at April 30, 2021

	2021	2020	2019
<b>ASSETS</b>			
Current			
Cash	\$ 1,970,002	\$ 3,311,889	\$ 2,399,443
Marketable securities (note 3)	2,979,437	1,664,351	1,682,202
Accounts receivable (note 4)	74,910	64,640	187,312
Prepaid grants	50,000	45,000	45,000
Current portion of note receivable	18,231	17,605	17,001
	<u>5,092,580</u>	<u>5,103,485</u>	<u>4,330,958</u>
Note receivable (note 5)	342,625	360,856	378,461
Capital assets (note 6)	-	248	502
Restricted investments - reserve fund (note 7)	<u>3,265,315</u>	<u>2,596,330</u>	<u>2,688,948</u>
	<u>\$ 8,700,520</u>	<u>\$ 8,060,919</u>	<u>\$ 7,398,869</u>
<b>LIABILITIES</b>			
Current			
Accounts payable and accrued liabilities (note 8)	\$ 3,373	\$ 4,720	\$ 6,953
Grants payable (note 11)	<u>239,751</u>	<u>329,485</u>	<u>195,689</u>
	<u>243,124</u>	<u>334,205</u>	<u>202,642</u>
<b>FUND BALANCES</b>			
Reserve fund	3,265,315	2,596,330	2,688,948
General fund	<u>5,192,081</u>	<u>5,130,384</u>	<u>4,507,279</u>
	<u>8,457,396</u>	<u>7,726,714</u>	<u>7,196,227</u>
	<u>\$ 8,700,520</u>	<u>\$ 8,060,919</u>	<u>\$ 7,398,869</u>

Approved

Chairman

Treasurer

*Robert J. Feeney*  
*Flatten Back*

# New Brunswick Law Foundation

Statement of Changes in Fund Balances

Year ended April 30, 2021

	<u>Reserve fund</u>	<u>General fund</u>	<u>Total 2021</u>	<u>Total 2020</u>	<u>Total 2019</u>
Balance, opening					
As previously reported	\$ 2,596,330	\$ 5,130,384	\$ 7,726,714	\$ 7,196,227	\$ 5,762,037
Prior period adjustment (note 13)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>296,061</u>
Balance, opening	2,596,330	5,130,384	7,726,714	7,196,227	6,058,098
Excess of revenues over expenditures	<u>668,985</u>	<u>61,697</u>	<u>730,682</u>	<u>530,487</u>	<u>1,138,129</u>
Balance, closing	<u>\$ 3,265,315</u>	<u>\$ 5,192,081</u>	<u>\$ 8,457,396</u>	<u>\$ 7,726,714</u>	<u>\$ 7,196,227</u>



# New Brunswick Law Foundation

Statement of Operations  
Year ended April 30, 2021

	2021	2020	2019
<b>Revenues</b>			
Interest - trust accounts	\$ 493,218	\$ 1,613,523	\$ 1,429,316
Unclaimed trust funds	48,165	69,952	60,165
Interest - bank accounts	22,039	60,143	40,192
Interest - note receivable	12,968	13,572	14,157
Investment income (loss)	315,086	(17,851)	43,461
	<u>891,476</u>	<u>1,739,339</u>	<u>1,587,291</u>
<b>Expenditures</b>			
Wages and benefits	90,542	73,439	69,801
Professional fees	18,734	21,103	22,425
Rent	16,544	16,544	16,544
Travel	505	9,696	7,862
Office	13,465	7,333	7,094
Amortization	247	1,285	976
Website	1,018	870	8,559
	<u>141,055</u>	<u>130,270</u>	<u>133,261</u>
Excess of revenues over expenditures before grants, subsidies and contributions	<u>750,421</u>	<u>1,609,069</u>	<u>1,454,030</u>
<b>Grants, subsidies and contributions</b>			
Grants (note 11)	655,424	952,264	552,502
New Brunswick Law Foundation Scholarship Trust (note 9)	33,300	33,700	35,300
Grants returned unused	-	-	(6,769)
	<u>688,724</u>	<u>985,964</u>	<u>581,033</u>
Excess of revenues over expenditures before reserve fund	61,697	623,105	872,997
Reserve fund (Schedule 1)	<u>(668,985)</u>	<u>92,618</u>	<u>(265,132)</u>
Excess of revenues over expenditures	<u>\$ 730,682</u>	<u>\$ 530,487</u>	<u>\$ 1,138,129</u>

# New Brunswick Law Foundation

Statement of Cash Flows  
Year ended April 30, 2021

	2021	2020	2019
Operating activities			
Cash received from trust accounts	\$ 529,964	\$ 1,804,756	\$ 1,402,200
Cash received from interest on cash held	23,189	61,534	38,323
Cash paid to suppliers and employees	(142,155)	(131,218)	(128,518)
Cash paid for grants, subsidies and contributions	<u>(783,458)</u>	<u>(852,168)</u>	<u>(719,977)</u>
	<u>(372,460)</u>	<u>882,904</u>	<u>592,028</u>
Investing activities			
Payments received on note receivable	30,573	30,573	30,573
Purchase of capital assets	-	(1,031)	-
Purchase of GIC included in marketable securities	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>
	<u>(969,427)</u>	<u>29,542</u>	<u>30,573</u>
Change in cash position	(1,341,887)	912,446	622,601
Cash, opening	<u>3,311,889</u>	<u>2,399,443</u>	<u>1,776,842</u>
Cash, closing	<u>\$ 1,970,002</u>	<u>\$ 3,311,889</u>	<u>\$ 2,399,443</u>

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# New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

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## 1. Nature of operations

New Brunswick Law Foundation ("the Foundation") has been established as a separate entity under section 97 of the Law Society Act of New Brunswick. The Foundation is a non-profit corporation and its principal purpose is to receive interest earned on lawyers' trust accounts which in turn is used to support legal aid, legal research, legal education, legal reform, and law libraries in New Brunswick. It is exempt from income tax under paragraph 149(1)(l) of the Income Tax Act of Canada.

The New Brunswick Law Foundation Scholarship Trust ("the Scholarship Trust") was created by the Foundation under a trust indenture with the trustees being all the directors of the Foundation. The Scholarship Trust was established by way of capital contributions totaling \$1,650,000 from the Foundation.

The Foundation also created two endowment trusts - the University of New Brunswick Law Faculty Endowment Trust and the Fonds de dotation de la faculté de droit de l'Université de Moncton (the "Endowment Trusts"). The Endowment Trusts were established by initial contributions of \$300,000 each from the Foundation. In following years an additional \$700,000 in contributions was made, bringing the total capital contributions for each trust by the Foundation to \$1,000,000.

The Foundation, the Scholarship Trust and the Endowment Trusts maintain separate books and records for which annual financial statements are prepared.

## 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

### (a) Cash and cash equivalents

Cash and cash equivalents consist of balances held in bank accounts, marketable securities and investment cash accounts with financial institutions.

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## New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

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### 2. Significant accounting policies, continued

#### (b) Revenue recognition

Investment income includes dividends, interest income, foreign exchange, and realized and unrealized investment gains and losses. Interest, dividend income and foreign exchange are recognized when the right to receive payment is established. Income from realized gains and losses is recognized in the period in which the sale of an investment has occurred. Unrealized investment gains and losses reflect the change in the fair market value of the investments at year-end.

Unclaimed trust funds are held by the Law Society of New Brunswick for ten years. Any funds which not been claimed at the end of this period are transferred to the Foundation. Unclaimed trust funds are recognized as revenue once the ten year hold period has expired.

#### (c) Fund accounting

The Foundation follows the fund basis of accounting which provides for separate groups of accounts to ensure accountability for restricted assets. The funds established by the Foundation are as follows:

General Fund - reports general activities including grants, scholarships and other disbursements. The use of these funds is at the discretion of the Board of Directors which approves all activity on an annual basis.

Reserve Fund - report activities relating to establishing a reserve to support the granting formula in case of revenue shortfalls in future years. The use of these funds is at the discretion of the Board of Directors.

#### (d) Investments

Investments are reported at fair value using quoted market prices. Changes in the fair value of investments are recognized as unrealized gains or losses.

#### (e) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Computer equipment	30% straight-line
Equipment	20% straight-line



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## New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

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### 2. Significant accounting policies, continued

#### (f) Financial instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Foundation subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash, accounts receivable and notes receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and grants payable.

Financial assets measured at fair value include marketable securities and restricted investments.

#### (g) Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

### 3. Marketable securities

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash	\$ 2,633	\$ 2,906	\$ 12,713
Accrued income	15,008	1,210	-
Fixed income	1,517,797	476,307	493,127
Canadian equities	208,261	161,620	157,152
Foreign equities	609,404	459,310	458,371
Other investments	<u>626,334</u>	<u>562,998</u>	<u>560,839</u>
	<u>\$ 2,979,437</u>	<u>\$ 1,664,351</u>	<u>\$ 1,682,202</u>

# New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

## 4. Accounts receivable

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Trust account interest	\$ 43,777	\$ 58,645	\$ 128,814
General bank interest	1,701	2,851	4,242
Other accounts receivable	<u>36,183</u>	<u>3,144</u>	<u>54,256</u>
	<u>\$ 81,661</u>	<u>\$ 64,640</u>	<u>\$ 187,312</u>

## 5. Note receivable

	<u>2021</u>	<u>2020</u>	<u>2019</u>
3.5% promissory note receivable from the Law Society of New Brunswick; repayable at \$2,548 per month including interest; maturing August 1, 2021	\$ 360,856	\$ 378,461	\$ 395,462
Less current portion	<u>18,231</u>	<u>17,605</u>	<u>17,001</u>
	<u>\$ 342,625</u>	<u>\$ 360,856</u>	<u>\$ 378,461</u>

The note is expected to be renewed at 2.5% to 3% interest for an additional 5 years at maturity on August 1, 2021.

## 6. Capital assets

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Computer equipment	\$ 4,284	\$ 4,284	\$ -	\$ 248
Equipment	<u>3,389</u>	<u>3,389</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,673</u>	<u>\$ 7,673</u>	<u>\$ -</u>	<u>\$ 248</u>

# New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

7.	Restricted investments - reserve fund			2019
		<u>2021</u>	<u>2020</u>	<u>2019</u>
	Cash	\$ 22,878	\$ 14,175	\$ 11,000
	Accrued income	3,620	4,061	2,821
	Fixed income	585,514	568,826	580,939
	Canadian equities	997,490	704,822	855,727
	Foreign equities	1,182,415	885,503	831,259
	Other investments	<u>473,398</u>	<u>418,943</u>	<u>407,202</u>
		<u>\$ 3,265,315</u>	<u>\$ 2,596,330</u>	<u>\$ 2,688,948</u>

8.	Accounts payable and accrued liabilities			
		<u>2021</u>	<u>2020</u>	<u>2019</u>
	Trade payables	\$ 183	\$ 2,197	\$ 4,549
	Government remittances payable	<u>3,190</u>	<u>2,523</u>	<u>2,404</u>
		<u>\$ 3,373</u>	<u>\$ 4,720</u>	<u>\$ 6,953</u>

## 9. Related party transactions

The Foundation is related to the Scholarship Trust by virtue of common control.

Transactions between related parties include:

		<u>2021</u>	<u>2020</u>	<u>2019</u>
Expenses				
Subsidy to Scholarship Trust	\$	33,300	\$ 33,700	\$ 35,300

Subsidies to the Scholarship Trust are used to cover audit, custodial, and investment management fees. These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

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## New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

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### 10. The New Brunswick Law Foundation Scholarship Trust

The assets, liabilities and results of operations of the Scholarship Trust have not been consolidated in the financial statements of the Law Foundation. Financial summaries of this unconsolidated entity are as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total assets	\$ 3,561,386	\$ 3,193,604	\$ 3,508,463
Total liabilities	<u>(4,001)</u>	<u>(4,001)</u>	<u>(4,002)</u>
	<u>\$ 3,557,385</u>	<u>\$ 3,189,603</u>	<u>\$ 3,504,461</u>
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue - capital fund	\$ 674,900	\$ (3,962)	\$ 276,188
Expenditures - income fund	(281,400)	(277,879)	(299,200)
Expenditures - capital fund	<u>(25,718)</u>	<u>(33,017)</u>	<u>(34,024)</u>
	<u>\$ 367,782</u>	<u>\$ (314,858)</u>	<u>\$ (57,036)</u>



**New Brunswick Law Foundation**  
Notes to Non-consolidated Financial Statements  
April 30, 2021

11. Summary of grants

The following list summarizes the grant activity of the Foundation for the fiscal year.

	Outstanding grants, May 1, 2020	Grants approved	Grants paid (Returned)	Grants lapsed	Outstanding grants, April 30, 2021
Law Society of New Brunswick					
Improvements to the Bar					
Admissions and Bar					
Examinations	245,000	-	125,000	-	120,000
Discipline Administrators					
Conference and Adjudicator					
Training	5,000	-	-	5,000	-
Translation of Discipline					
Committee Decisions	-	20,000	20,000	-	-
Adjudicator Online Training					
Program	-	25,000	25,000	-	-
Public Legal Education and					
Information Service of New					
Brunswick (PLEIS-NB)	-	90,000	90,000	-	-
Advanced Health Care					
Directives	26,746	-	-	-	26,746
University of New Brunswick					
Pro Bono Students Canada					
UNB Chapter	17,425	16,564	16,584	841	16,564
Summer Employment	-	8,164	7,885	279	-
Université de Moncton					
Programme Pro Bono & Pro					
Bono Droit de la famille	20,709	-	18,655	2,054	-
Programme Pro Bono Students					
Canada	-	19,846	-	-	19,846
Société d'aide juridique					
étudiante (SAJE)	-	18,747	15,219	3,528	-
AJEFNB					
Cours de formation	14,605	-	-	-	14,605
Livre relatif à la règle 22 des					
Règles de procédure du N-B					
annotées	-	45,500	34,125	-	11,375
Subtotal	329,485	243,821	352,468	11,702	209,136

**New Brunswick Law Foundation**  
Notes to Non-consolidated Financial Statements  
April 30, 2021

11. Summary of grants, continued

	Outstanding grants, May 1, 2020	Grants approved	Grants paid (Returned)	Grants lapsed	Outstanding grants, April 30, 2021
Balance carried forward	329,485	243,821	352,468	11,702	209,136
Elizabeth Fry Society of Saint John					
Volunteer Court Liaison Program		52,615	45,000	-	7,615
New Brunswick Legal Aid Services Commission (NBLASC)					
Family Legal Aid Program	-	200,000	200,000	-	-
NB Refugee Clinic (NBRC)					
Legal Aid Clinic for refugee claimants	-	90,000	90,000	-	-
Canadian Institute for the Administration of Justice (CIAJ)					
Roundtable on Jury Representation	-	15,000	7,000	-	8,000
Action committee on Access to Justice					
Fostering National A2J Collaboration	-	5,000	5,000	-	-
CANLII					
Extending Primary Care Coverage to 70 Years	-	35,690	35,690	-	-
Canadian National Institute for the Blind (CNIB) - Know your rights	-	25,000	10,000	-	15,000
	329,485	667,126	745,158	11,702	239,751

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## New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

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### 12. Financial instruments

The Foundation is exposed to the following risks in respect of certain of the financial instruments held:

#### (a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk with respect to its investments held in the US dollar account.

#### (b) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Foundation is exposed to market risk with respect to its investments.

#### (c) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation is exposed to credit risk with respect to its notes receivable.

It is management's opinion that the Law Foundation is not subject to a significant concentration of risk with respect to its financial instruments.

### 13. Prior period adjustment

The financial statements for the year ended April 30, 2018 were restated in 2019 to correct an accounting error. This error occurred as grants approved at the February 2018 board meeting were included in the grant expense for that year however the intent of the board was that they were approved for the April 30, 2019 year-end. The net impact of the adjustment on the 2018 financial statements was a decrease in grants payable of \$296,061, an equal decrease in grant expense and an equal increase in the closing general fund balance at April 30, 2018. The impact of this change on the general fund balance is outlined on the Statement of changes in fund balances.

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## New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2021

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### 14. Other

The outbreak of a novel strain of coronavirus resulted in the global declaration of a pandemic by the World Health Organization on March 11, 2020. Government measures in place to combat the health threat of the virus have caused material disruption to businesses globally resulting in an economic slowdown.

The duration and impact of the outbreak are unknown at this time, as are the efficacy of government and central bank interventions. It is not possible to reliably estimate the length and severity nor the impact on the future financial results.

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## New Brunswick Law Foundation

Schedule to Financial Statements

Year ended April 30, 2021

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### Schedule of reserve fund operations

### Schedule 1

	2021	2020	2019
Revenue			
Dividends	\$ 76,024	\$ 83,726	\$ 95,370
Interest	8,996	9,818	5,289
Realized gain on sale of investments	3,281	2,359	16,860
Foreign exchange	80	1,386	14,751
Unrealized gain (loss) on investments	596,071	(168,558)	154,439
	684,452	(71,269)	286,709
Expenditures			
Investment management fees	15,467	21,349	21,577
Excess (deficiency) of revenues over expenditures	\$ 668,985	\$ (92,618)	\$ 265,132