



New Brunswick
Law Foundation
Fondation pour le droit
au Nouveau-Brunswick

ANNUAL REPORT 2021-2022





New Brunswick
Law Foundation
Fondation pour le droit
au Nouveau-Brunswick

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Message from the Chair

As Chair of the **New Brunswick Law Foundation**, I am pleased to present the Annual Report for the fiscal year ended April 30, 2022.

The Foundation's central focus is to receive and distribute funding to support initiatives that will advance justice to benefit 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. The prime rate persisted for most of the year at the historic low of 2.45% first reached in March 2020. As a result, minimum rates of interest were in effect and revenues were reduced to \$713k from a 2019-20 high of \$1.6M. This drop in revenues over the past two years was less severe than anticipated however, due to higher trust account balances resulting from brisk business and real estate activity.

To moderate the effect of downturns in revenues, the Foundation maintains a reserve fund that is invested in marketable securities with a wealth manager. Revenue forecasts are closely monitored by the Board. The Foundation anticipates that its revenues and conservative operating costs will allow it to sustain current grant levels for the foreseeable future.

The Foundation reviewed sixteen grant applications during the 2021-22 fiscal year, of which fifteen were approved, for a total of \$773,108 in grants. Details of these programs and projects are included in this report. I encourage those who have innovative programs or projects that are in keeping with the Foundation's mandate to contact the Foundation office to obtain more information. Application forms and guidelines are available on the New Brunswick Law Foundation's website at 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.



Heather A. Black
Chair

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.

"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

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, the members of the Board of Directors were:

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

* 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.

"The launch of the UNB Legal Clinic is a significant development for access to justice in New Brunswick. It will fill important gaps in service for low-income people, including in areas of housing, social benefits, and employment. We are very grateful to have the New Brunswick Law Foundation as a partner in this project."

— UNB Faculty of Law

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.

"On behalf of East Coast Environmental Law, thank you to the Law Foundation for approving our grant application on 'New Brunswick Coastal Law.' We look forward to the opportunity to provide public legal education services on this topic and sincerely appreciate the support of the New Brunswick Law Foundation."

— East Coast Environmental Law

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.

MEETINGS OF THE BOARD

The Board of Directors met twice during fiscal year 2021-22 to consider grant applications and to review and formulate investment and administrative policies.

"In spite of COVID health guidelines and restrictions in attending court, we have been pleased to have a training program that is being well-received and to provide these essential supports for women in court. Through this project, we identified related support services that contribute to interrupting the cycle of recidivism – addressing housing needs, addiction recovery, mental health, and gender-based violence – that EFry NB and its community partners have been able to provide. We are excited about seeing this project reach out across our province. Thank you to the NB Law Foundation for entrusting us."

— Elizabeth Fry Society of NB

FINANCIAL HIGHLIGHTS

REVENUE

Source	2021-22	2020-21
Interest from Lawyers' mixed trust accounts	\$712,584	\$493,218
Unclaimed trust funds	15,553	48,165
Interest from bank accounts	20,254	22,039
Interest from long-term note receivable	10,912	12,968
Investment income (loss)	148,405	984,071
Total	\$907,708	\$1,560,461
Expenses	\$133,315	\$141,055
Excess of Revenues over Expenses	\$774,393	\$1,419,406

GRANTS

Grants awarded	\$741,508	\$655,424
Subsidy to Scholarship Fund	26,000	33,300
Total Grants and Subsidies	\$767,508	\$688,724

LOAN TO THE LAW SOCIETY OF NEW BRUNSWICK

In August 2021, the Foundation renewed a loan to the Law Society of New Brunswick. The loan is at market rates and matures in August 2026. It had originally been made to assist in the financing of the acquisition of the Law Society's office.

RESERVE FUND

The Foundation maintains 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 \$3,265,315. The investment gain on the reserve fund was \$134,532 bringing the balance of the fund to \$3,399,847 at April 30, 2022.

I am very appreciative...

"Your award...relieved a lot of financial stress and pressure that I had been facing and allowed me to better focus on finding an articling position and excelling in school. As an immigrant and first-generation law student, these awards mean a great deal to me and my family and I thank you for your generosity and aid!"

— Scholarship Recipient

"Your generosity will allow me to pursue my dreams, and for that, I cannot thank you enough. I only hope that one day I can help someone as you have helped me."

— Scholarship Recipient

GRANTS

Fifteen (15) grants were approved during the fiscal year, for a total of \$773,108 in grants to further the Foundation's purposes. These projects are described at the end of this report. The Foundation will continue to encourage non-profit groups to submit proposals that seek to advance justice for the benefit of the people of the province.

LEGAL AID

Legal aid in New Brunswick is funded by the Province of New Brunswick and through grants received from the Foundation. In 2021-22, 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 the faculty of law at each of the University of New Brunswick and the Université de Moncton. The Foundation initially contributed \$300,000 to each fund and made additional contributions during subsequent years. By 2006-07, the Foundation realized its objective of contributing \$1,000,000 to each endowment fund.

Each endowment fund is managed by a Board of Trustees that includes a member of the Board of Directors of the Foundation.

SCHOLARSHIPS AND BURSARIES

During the fiscal year, undergraduate scholarships and bursaries totaling \$283,400 were awarded to law students at the University of New Brunswick and the Université de Moncton. No allocations were disbursed to the Dean's Emergency Fund in 2021-22.

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

GRANTS APPROVED 2021-22

LAW SOCIETY OF NEW BRUNSWICK

Translation of Discipline Committee Decisions	\$10,000
Truth and Reconciliation Educational Videos	\$50,000

NEW BRUNSWICK LEGAL AID SERVICES COMMISSION

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

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

Core funding and Family Law Workshops	\$90,000
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UNIVERSITÉ DE MONCTON - FACULTÉ DE DROIT

Programme Pro Bono de l'UdeM - Le réseau PBSC)	\$18,238
To assist in the provision of pro bono legal aid services	

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

UNIVERSITY OF NEW BRUNSWICK - FACULTY OF LAW

Pro Bono UNB Chapter (PBSC)	\$21,356
To assist in the provision of pro bono legal aid services	

Summer Student for UNB Legal Clinic	\$9,679
To hire a law student to support development of a Legal Clinic program	

Summer Employment - Legal Aid Services Commission	\$19,659
To hire law students to assist in provision of legal information services	

NEW BRUNSWICK REFUGEE CLINIC

To provide legal aid services to refugees	\$100,000
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CANADIAN LEGAL INFORMATION INSTITUTE (CANLII)

Extending Primary Law Coverage for NB to 70 Years	\$63,898
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ELIZABETH FRY SOCIETY OF SAINT JOHN

Volunteer Court Liaison Program	\$74,000
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SEXUAL VIOLENCE NEW BRUNSWICK

Toward Trauma-Informed Lawyering in NB	\$76,500
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CANADIAN INSTITUTE FOR THE ADMINISTRATION OF JUSTICE (CIAJ)

Round Table on Jury Representation	\$15,000
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EAST COAST ENVIRONMENTAL LAW

Understanding environmental impact assessment law	\$6,031
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TOTAL	\$773,108
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New Brunswick Law Foundation

Financial Statements

April 30, 2022

New Brunswick Law Foundation

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April 30, 2022

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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, 2022, 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, 2022, 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.

Independent Auditor's Report, continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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
July 27, 2022


Chartered Professional Accountants



New Brunswick Law Foundation

Statement of Financial Position

As at April 30, 2022

	2022	2021	2020
ASSETS			
Current			
Cash	\$ 1,890,629	\$ 1,970,002	\$ 3,311,889
Marketable securities (note 3)	2,993,310	2,979,437	1,664,351
Accounts receivable (note 4)	137,393	74,910	64,640
Prepaid grants	-	50,000	45,000
Current portion of note receivable	19,657	18,231	17,605
	5,040,989	5,092,580	5,103,485
Note receivable (note 5)	322,355	342,625	360,856
Capital assets (note 6)	-	-	248
Restricted investments - reserve fund (note 7)	3,399,847	3,265,315	2,596,330
	<u>\$ 8,763,191</u>	<u>\$ 8,700,520</u>	<u>\$ 8,060,919</u>
LIABILITIES			
Current			
Accounts payable and accrued liabilities (note 8)	\$ 4,419	\$ 3,373	\$ 4,720
Grants payable (note 12)	294,491	239,751	329,485
	298,910	243,124	334,205
FUND BALANCES			
Reserve fund	3,399,847	3,265,315	2,596,330
General fund	5,064,434	5,192,081	5,130,384
	8,464,281	8,457,396	7,726,714
	<u>\$ 8,763,191</u>	<u>\$ 8,700,520</u>	<u>\$ 8,060,919</u>

Approved

Chairman *Heather Black*
Treasurer *G. P. Feeney*

New Brunswick Law Foundation

Statement of Changes in fund balances

Year ended April 30, 2022

	<u>Reserve fund</u>	<u>General fund</u>	<u>Total</u> <u>2022</u>	<u>Total</u> <u>2021</u>	<u>Total</u> <u>2020</u>
Balance, opening	\$ 3,265,315	\$ 5,192,081	\$ 8,457,396	\$ 7,726,714	\$ 7,196,227
Excess (deficiency) of revenues over expenditures	<u>134,532</u>	<u>(127,647)</u>	<u>6,885</u>	<u>730,682</u>	<u>530,487</u>
Balance, closing	<u>\$ 3,399,847</u>	<u>\$ 5,064,434</u>	<u>\$ 8,464,281</u>	<u>\$ 8,457,396</u>	<u>\$ 7,726,714</u>

New Brunswick Law Foundation

Statement of Operations

Year ended April 30, 2022

	2022	2021	2020
Revenues			
Interest - trust accounts	\$ 712,584	\$ 493,218	\$ 1,613,523
Interest - bank accounts	20,254	22,039	60,143
Unclaimed trust funds	15,553	48,165	69,952
Investment income (loss)	13,873	315,086	(17,851)
Interest - note receivable	10,912	12,968	13,572
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>773,176</u>	<u>891,476</u>	<u>1,739,339</u>
Expenditures			
Wages and benefits	92,175	90,542	73,439
Rent	16,544	16,544	16,544
Professional fees	15,295	18,734	21,103
Office	8,082	13,465	7,333
Website	1,219	1,018	870
Travel	-	505	9,696
Amortization	<u>-</u>	<u>247</u>	<u>1,285</u>
	<u>133,315</u>	<u>141,055</u>	<u>130,270</u>
Excess of revenues over expenditures before grants, subsidies and contributions	<u>639,861</u>	<u>750,421</u>	<u>1,609,069</u>
Grants, subsidies and contributions			
Grants (note 12)	741,508	655,424	952,264
New Brunswick Law Foundation Scholarship Trust (note 10)	<u>26,000</u>	<u>33,300</u>	<u>33,700</u>
	<u>767,508</u>	<u>688,724</u>	<u>985,964</u>
Excess (deficiency) of revenues over expenditures before reserve fund	(127,647)	61,697	623,105
Reserve fund (Schedule 1)	<u>(134,532)</u>	<u>(668,985)</u>	<u>92,618</u>
Excess of revenues over expenditures (note 9)	<u>\$ 6,885</u>	<u>\$ 730,682</u>	<u>\$ 530,487</u>

New Brunswick Law Foundation

Statement of Cash Flows

Year ended April 30, 2022

	2022	2021	2020
Operating activities			
Cash received from trust accounts	\$ 665,842	\$ 529,964	\$ 1,804,756
Cash received from interest on cash held	20,066	23,189	61,534
Cash paid to suppliers and employees	(132,269)	(142,155)	(131,218)
Cash paid for grants, subsidies and contributions	(662,768)	(783,458)	(852,168)
	<u>(109,129)</u>	<u>(372,460)</u>	<u>882,904</u>
Investing activities			
Payments received on note receivable	29,756	30,573	30,573
Purchase of capital assets	-	-	(1,031)
Purchase of GIC included in marketable securities	-	(1,000,000)	-
	<u>29,756</u>	<u>(969,427)</u>	<u>29,542</u>
Change in cash position	(79,373)	(1,341,887)	912,446
Cash, opening	<u>1,970,002</u>	<u>3,311,889</u>	<u>2,399,443</u>
Cash, closing	<u>\$ 1,890,629</u>	<u>\$ 1,970,002</u>	<u>\$ 3,311,889</u>

New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2022

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.

New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2022

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:

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

New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2022

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>2022</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 7,241	\$ 2,633	\$ 2,906
Accrued income	19,186	15,008	1,210
Fixed income	1,231,800	1,517,797	476,307
Canadian equities	295,211	208,261	161,620
Foreign equities	691,040	609,404	459,310
Other investments	<u>748,832</u>	<u>626,334</u>	<u>562,998</u>
	<u>\$ 2,993,310</u>	<u>\$ 2,979,437</u>	<u>\$ 1,664,351</u>

New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2022

4. Accounts receivable

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Trust account interest	\$ 129,063	\$ 50,878	\$ 58,645
General bank interest	1,889	1,701	2,851
Other accounts receivable	<u>6,441</u>	<u>22,331</u>	<u>3,144</u>
	<u>\$ 137,393</u>	<u>\$ 74,910</u>	<u>\$ 64,640</u>

5. Note receivable

	<u>2022</u>	<u>2021</u>	<u>2020</u>
2.91% promissory note receivable from the Law Society of New Brunswick; repayable at \$2,446 per month including interest; maturing August 1, 2026	\$ 342,012	\$ 360,856	\$ 378,461
Less current portion	<u>19,657</u>	<u>18,231</u>	<u>17,605</u>
	<u>\$ 322,355</u>	<u>\$ 342,625</u>	<u>\$ 360,856</u>

6. Capital assets

		<u>2022</u>	<u>2021</u>
	Cost	Accumulated amortization	Net
Equipment	\$ 3,389	\$ 3,389	\$ -
Computer equipment	<u>4,284</u>	<u>4,284</u>	<u>-</u>
	<u>\$ 7,673</u>	<u>\$ 7,673</u>	<u>\$ -</u>

New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2022

7. Restricted investments - reserve fund

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 66,726	\$ 22,878	\$ 14,175
Accrued income	4,048	3,620	4,061
Fixed income	591,018	585,514	568,826
Canadian equities	1,155,763	997,490	704,822
Foreign equities	1,108,977	1,182,415	885,503
Other investments	473,315	473,398	418,943
	<u>\$ 3,399,847</u>	<u>\$ 3,265,315</u>	<u>\$ 2,596,330</u>

8. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Trade payables	\$ 431	\$ 183	\$ 2,197
Government remittances payable	3,988	3,190	2,523
	<u>\$ 4,419</u>	<u>\$ 3,373</u>	<u>\$ 4,720</u>

9. Excess of revenues over expenditures

Given the level of investments held, changes in the market can have a significant impact on the excess or deficiency of revenues over expenditures.

Revenue from trust account interest is also impacted by interest rates set federally and average daily account balances held in trust accounts. There have been significant fluctuations in both interest rates and average account balances held over the past two years largely due to the global pandemic.

New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2022

10. Related party transactions

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

Transactions between related parties include:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Expenses			
Subsidy to Scholarship Trust	\$ 26,000	\$ 33,300	\$ 33,700

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.

11. 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>2022</u>	<u>2021</u>	<u>2020</u>
Total assets	\$ 3,332,751	\$ 3,561,386	\$ 3,193,604
Total liabilities	<u>(4,001)</u>	<u>(4,001)</u>	<u>(4,001)</u>
	<u>\$ 3,328,750</u>	<u>\$ 3,557,385</u>	<u>\$ 3,189,603</u>

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue - capital fund	\$ 80,793	\$ 674,900	\$ (3,962)
Expenditures - income fund	(283,400)	(281,400)	(277,879)
Expenditures - capital fund	<u>(26,028)</u>	<u>(25,718)</u>	<u>(33,017)</u>
	<u>\$ (228,635)</u>	<u>\$ 367,782</u>	<u>\$ (314,858)</u>

New Brunswick Law Foundation
Notes to Non-consolidated Financial Statements
April 30, 2022

12. Summary of grants

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

	Outstanding grants, May 1, 2021	Grants approved	Grants paid (Returned)	Grants lapsed	Outstanding grants, April 30, 2022
Law Society of New Brunswick					
Improvements to the Bar					
Admissions and Bar					
Examinations	120,000	-	120,000	-	-
Truth and Reconciliation					
Educational Videos	-	50,000	-	-	50,000
Translation of Discipline					
Committee Decisions	-	10,000	10,000	-	-
Public Legal Education and					
Information Service of New					
Brunswick (PLEIS-NB)					
Advanced Health Care					
Directives	26,746	-	-	26,746	-
Core Funding	-	90,000	90,000	-	-
University of New Brunswick					
Pro Bono Students Canada					
UNB Chapter	16,564	21,356	16,564	-	21,356
Summer Employment	-	19,659	19,409	250	-
UNB Legal Aid Clinic					
Summer Student	-	9,679	9,679	-	-
Université de Moncton					
Programme Pro Bono					
Students Canada	19,846	18,238	15,327	4,520	18,237
Société d'aide juridique					
étudiante (SAJE)	-	18,747	18,747	-	-
AJEFNB					
Cours de formation	14,605	-	14,605	-	-
Livre relatif à la règle 22 des					
Règles de procédure du N-B					
annotées	11,375	-	11,307	68	-
Subtotal	209,136	237,679	325,638	31,584	89,593

New Brunswick Law Foundation
Notes to Non-consolidated Financial Statements
April 30, 2022

12. Summary of grants, continued

	Outstanding grants, May 1, 2021	Grants approved	Grants paid (Returned)	Grants lapsed	Outstanding grants, April 30, 2022
Balance carried forward	209,136	237,679	325,638	31,584	89,593
Elizabeth Fry Society of Saint John					
Volunteer Court Liaison Program	7,615	74,000	35,099	16	46,500
East Coast Environmental Law Understanding Environmental Impact Assessment Law	-	6,031	6,031	-	-
New Brunswick Legal Aid Services Commission (NBLASC)					
Family Legal Aid Program	-	200,000	200,000	-	-
NB Refugee Clinic (NBRC)					
Legal Aid and Resource Delivery	-	100,000	100,000	-	-
Canadian Institute for the Administration of Justice (CIAJ)					
Roundtable on Jury Representation	8,000	15,000	-	-	23,000
Sexual Violence NB					
Toward Trauma-Informed Lawyering in NB	-	76,500	20,000	-	56,500
CANLII					
Extending Primary Care Coverage to 100 Years	-	63,898	-	-	63,898
Canadian National Institute for the Blind (CNIB) - Know your rights	15,000	-	-	-	15,000
	239,751	773,108	686,768	31,600	294,491

New Brunswick Law Foundation

Notes to Financial Statements

April 30, 2022

13. Financial instruments

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

(a) 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.

(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 marketable securities and restricted investments as well as the interest earned on trust accounts.

(c) 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.

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

New Brunswick Law Foundation

Schedule to Financial Statements

Year ended April 30, 2022

Schedule of reserve fund operations

Schedule 1

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Revenue			
Realized gain on sale of investments	\$ 155,746	\$ 3,281	\$ 2,359
Dividends	107,754	76,024	83,726
Interest	8,808	8,996	9,818
Foreign exchange	4,516	80	1,386
Unrealized gain (loss) on investments	<u>(125,301)</u>	<u>596,071</u>	<u>(168,558)</u>
	151,523	684,452	(71,269)
Expenditures			
Investment management fees	<u>16,991</u>	<u>15,467</u>	<u>21,349</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 134,532</u>	<u>\$ 668,985</u>	<u>\$ (92,618)</u>