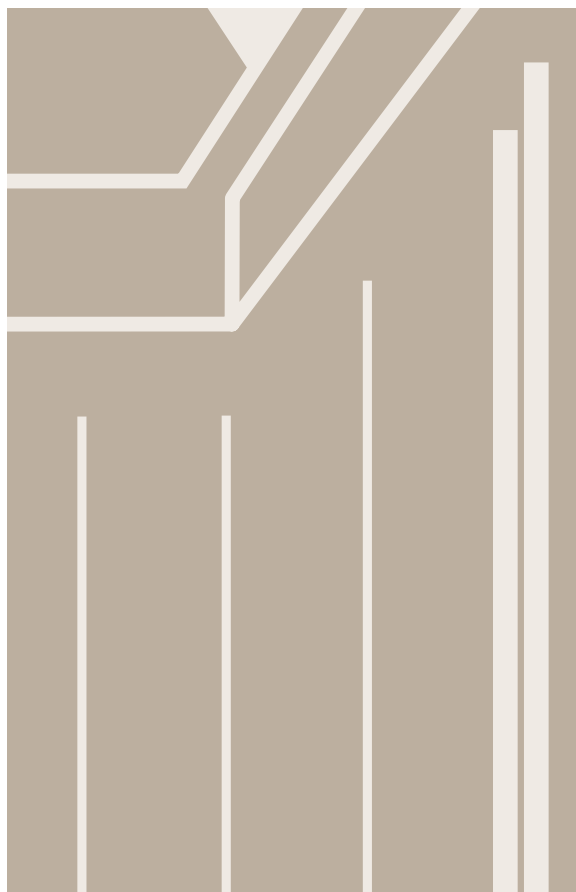




THE LAW
FOUNDATION
OF ONTARIO

2005 Annual Report

INTRODUCTION

The Law Foundation of Ontario was established in 1974, under an amendment to the Law Society Act, as a corporation without share capital.

The Trustees of the Law Foundation at the end of 2005 were:

Appointed by The Law Society of Upper Canada:

**Larry Banack - Chair
E. Susan Elliott
Laurence A. Pattillo**

Appointed by the Attorney General for Ontario:

**Mark D. Leach
Lorne M. Sossin**

The other officer of the Law Foundation during 2005 was:

Mary Shannon Brown, C.M.A. – Executive Director.

Mintz & Partners are the auditors and the fiscal and reporting year of the Foundation is the calendar year.

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. At least 75% of the net revenue received from interest accrued on mixed trust accounts must be paid to Legal Aid Ontario established under The Legal Aid Act.

Under section 57(1) of the Law Society Act, every lawyer who holds money in trust for or on account of more than one client in a mixed trust account must direct his or her banker to calculate the interest earned by that account and pay it to the Foundation. Specifically excluded from the effect of the legislation is any arrangement in writing between a lawyer and a client for whom the lawyer holds money in trust as to the disposition of the interest accruing thereon.

For more information about applying for a grant from the Foundation, visit our website or contact:

The Law Foundation of Ontario
Suite 3002, Box 19
20 Queen Street West
Toronto, Ontario M5H 3R3
Telephone: (416) 598-1550
Facsimile: (416) 598-1526
E-mail: general@lawfoundation-on.org
Website: www.lawfoundation-on.org

Applications first undergo a review process and, once complete, are brought before the Board of Trustees for a decision. The Board meets at regular intervals throughout the year and applications are accepted on an ongoing basis.

REPORT FROM THE CHAIR

2005 was marked by the Law Foundation of Ontario's commitment to remain pro-active in its approach to support social justice issues. We continued to fund several established institutions and also focused on extending our outreach to include additional innovative and progressive organizations.

Our mandate to advance legal knowledge and facilitate the public's access to legal services in Ontario, and increasing public awareness of our work, remains our focus.

The LFO's 2005 **Guthrie Award**, a symbol of excellence within the law community, was bestowed upon a person who embodies the ideals of this mandate, the Honourable Roy McMurtry, Chief Justice of Ontario. To mark the event and pay tribute to this distinguished judge and officer of the Crown, **The Roy and Ria McMurtry Endowment** was created with contributions from the profession, matched by the LFO. **The Second Chance Scholarship Foundation**, in turn, was named by the Chief Justice and Mrs. McMurtry as the first beneficiary of the Endowment. Second Chance is an organization dedicated to providing post-secondary education scholarships to disadvantaged youth who are or have been involved in the criminal justice system.

As required by legislation, 75% of our net income is allotted to **Legal Aid Ontario**. In 2005, that amount totaled \$25,470,382. The balance was used to fund many worthwhile programs and organizations with a continued focus on legal aid, legal education, legal research and law libraries, some of which are described below.

A prime example of the LFO's goal to extend our outreach in a significant and meaningful way included the creation of **The Ontario Public Interest Articling Fellowships**. These first-time Fellowships will allow six law students to article for public interest groups on a full-time basis during a 10-month period. This initiative reflects our ongoing commitment to further engage lawyers in the public interest sector and enable them to consider this area as a viable career path.

Our funding of **Pro Bono Students Canada (PBSC)**, an organization dedicated to developing the pro bono ethic among students, provides practical opportunities in public interest law during law school and assisting under-represented communities across Ontario.

The organization involved more students and community groups than ever before in 2005-06 (approximately 2000) and initiated many new exciting developments throughout the year including: the *On-Campus Pro Bono Awareness & Education Program* at the University of Windsor which welcomed high-profile speakers in 2005-06, including Madam Justice Eleanor Cronk of the Ontario Court of Appeal; the *Program Patron*, a new position filled by Superior Court Justice Lynn Leitch piloted by University of Western Ontario; the student-led *Wills Clinic* where students assist lawyers working pro bono with AIDS/HIV

clients at the University of Toronto and Osgoode Hall; the *Queen's PBSC Program* created in partnership with the Ministry of the Attorney General and Pro Bono Law Ontario, which benefits unrepresented litigants at the Kingston Small Claims Court; The Legal Resource Centre, educational materials produced by PBSC students in the Faculty of Common Law at the University of Ottawa; and the Francophone Program at the Faculty of Civil Law, University of Ottawa, which grew and took on a leadership role in the *PBSC National Francophone Pro Bono Student Leadership Network*.

We are proud that every law school across the country now hosts a PBSC chapter.

Funding of **Pro Bono Law Ontario (PBLO)** has improved access to justice by providing strategic guidance, training and tailored technical support to law firms, law associations and legal departments interested in addressing the unmet legal needs of low-income Ontarians as well as the community groups that serve them.

In 2005, nearly 2000 individuals and charitable organizations received pro bono legal services through PBLO Registered Projects, and PBLO's law firm partners reported more than 8000 hours devoted to pro bono files.

In 2005, PBLO launched its new website, www.pblo.org, which is a platform for two innovative tools: *ProbonoNet* for Lawyers and *Probononet* for the Public. The first provides lawyers with easy access to pro bono opportunities, upcoming Continuing Legal Education sessions and resources that help with pro bono cases. The second provides the public with information about PBLO Registered Projects, including online applications for assistance and various self-help materials.

Technology continued to play a role in the launch of one of PBLO's most innovative projects in 2005 - the *Telejustice Project*. It has developed a web portal that provides Community Legal Workers in remote communities in northern Ontario with direct access to lawyers from the office of the Ministry of the Attorney General in Toronto and Ottawa.

Because legal education is a key component of the LFO mandate, we are enthusiastic about the work of the **Ontario Justice Education Network (OJEN)**. OJEN's role is to facilitate collaborative justice education endeavours and dialogue about the justice system. Its goal is to bring together the justice and education sectors to provide all Ontario youth with positive exposure to the justice system. Founded in 2002, OJEN's Network has grown to 24 members, including the newest Network member, The Ontario Business Educators' Association.

To carry out its numerous initiatives, OJEN has worked in partnership with key organizations and individuals including: the Ministry of Education, the Ministry of the Attorney General and volunteers within the justice sector (including judges, lawyers, Crown Attorneys, and individuals from court services and legal aid clinics).

The Courtrooms & Classrooms program provided access to courthouses and justice sector representatives to over 50,000 students across the province. Collaborative local education committees worked with public and Catholic school boards to carry out justice education initiatives in local communities – such as Criminal Code donations, law symposia, adopt-a-school initiatives and judge shadowing.

A new edition of OJEN's curriculum resource, *Values of the Justice System*, corresponding to the revised Ontario Civics 10 curriculum, was provided to every high school in the province. Five new Landmark Cases, as well as other curriculum ideas and links were included.

The Canadian Civil Liberties Education Trust (CCLET) is dedicated to the promotion of public education concerning issues related to the philosophy and practice of democratic institutions. The Law Foundation continued to support the CCLET by funding its *Civil Liberties in the Schools* program. The program, geared to both students and teachers, is delivered through presentations in elementary schools through Grade XII; in-school and school board-wide student conferences and workshops; and workshops on the teaching of civil liberties in faculties of education for student teachers. Presentations were made to more than 5,000 students in over 50 schools and at all Ontario's faculties of education.

The Fundamentals of our Fundamental Freedoms, CCLET's booklet that appears in both official languages, continued to be distributed to the education community in Ontario, as well as to school libraries across Canada.

In 2005, the LFO remained actively engaged with **The Funders' Network on Racism and Poverty** by funding the **Workers' Action Centre** (formerly Toronto Organizing for Fair Employment), which supports the legal research and education component of the program.

In addition to these programs, the LFO has broadened our scope to include new, additional initiatives that will assist a large number of individuals. An example is the creation of the **Law in Action Within Schools (LAWS)** program. The University of Toronto, Faculty of Law in partnership with the Toronto District School Board, launched this innovative, law-focused high school program. Students from two inner-city high schools, many of whom face barriers to achieving their full potential, will have access to this program. LAWS engages students in interactive classroom and extra-curricular activities that provide unique exposure to legal issues, the legal system, and the legal profession.

Our dedication and commitment to promoting excellence in the legal profession also continued through significant funding awarded to the province's **six law schools, The Native Law Centre, The Law Society's Bar Admissions Course and Heritage and Archives Program, Library Co, The Osgoode Society for Canadian Legal History**, and others. In addition, we provided funding to the **Chief Justice of Ontario's Advisory Committee on Professionalism, The Assumption University Chair in Legal and Business Ethics, The Indigenous**

Bar Association's annual conference, The International Association's biennial conference and many other conferences and research studies dealing with timely issues of importance to the legal profession and to legal services delivery systems.

The LFO's dedication to funding community-based programs included: **AIDWYC (Association in Defence of the Wrongly Convicted), SALCO (South Asian Legal Clinic), JCY (Justice for Children and Youth), Lake Ontario Waterkeeper, CERA (Centre for Equality Rights in Accommodation), CARFAC (Canadian Artists' Representation/le Front des artistes canadiens), Community Living Algoma, Lifetime Networks Ottawa, LIFESPIN, League for Human Rights of B'nai Brith Canada, Scadding Court Community Centre, the Sierra Legal Defence Fund, Law Day (Ontario Bar Association)** and many more.

The Law Foundation is fortunate to have a dedicated staff and Board of Trustees who together ensure that the Foundation's work is carried out in a timely, effective and thoughtful manner. We are confident that all of our new and continued initiatives in 2005 will positively impact a larger number of Ontarians, further educate our population on important legal issues and ultimately facilitate their access to legal services.

Larry Banack,
Chair

REPORT ON CLASS PROCEEDINGS

The Class Proceedings Committee was established in 1992 for the purpose of deciding whether plaintiffs in class proceedings should receive financial support from the Class Proceedings Fund (established with a grant from the Foundation), and the amount of such support.

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

1) Number of new applications, by stage in the proceeding.

<u>Stage in the Proceeding</u>	<u>Number of New Applications</u>	
	<u>2005</u>	<u>2004</u>
Pre Certification	4	7
Appeal re: Certification	-	1
Discovery	-	-
Determination of Common Issues	2	3
Appeal re: Common Issues	-	-
Post Common Issue Stage	-	-

2) New applications granted and refused, by stage in the proceeding.

<u>Stage in the Proceeding</u>		<u>Granted</u>	<u>Refused</u>	<u>Withdrawn</u>	<u>Pending*/ Stayed, etc.</u>
Pre Certification	2005	1	1	-	7
	2004	5	1	0	5
Discovery	2005	-	-	-	-
	2004	-	-	1	-
Other	2005	-	-	-	3
	2004	2	2	-	1

*Carried forward to the next year.

- 3) In 2005 financial support was awarded to one new single action application 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. In 2004 financial support was awarded to one new multi-action application and six new single action applications under section 59.3(1) of the Act and financial support was awarded for eight supplementary funding applications under section 59.3(5) of the Act.

4) Total awards*, by disbursement type.

<u>Type of Disbursement</u>	<u>Total Amount Awarded</u>	
	<u>2005</u>	<u>2004</u>
Notice to Class	\$ 13,126.96	\$ 54,919.71
Research & Preparation of Evidence	(305.47)	4,112.35
Copy and Binding	19,603.53	33,205.36
Service of Court Documents	2,610.00	14,638.49
Filing of Court Documents	997.00	10,634.92
Computer Research	1,000.00	685.75
Facsimile Charges	2,519.40	7,489.26
Examiners' Charges	37,500.00	53,419.00
Experts' Fees	184,500.00	159,443.00
Searches	219.60	1,333.00
Deliveries	1,618.02	3,781.19
Miscellaneous	797.40	4,060.58
Travel Expense	5,147.49	8,398.74
S.C.C. Security	0.00	0.00
Agency Fees	0.00	37.00
Goods and Services Tax	<u>18,815.29</u>	<u>9,018.21</u>
TOTAL	<u>\$288,149.22</u>	<u>\$365,176.56</u>

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

5) The total amount of money paid from the Class Proceedings Fund to applicants under section 59.3 of the Act: 2005, \$172,367.37; 2004, \$177,841.98. At December 31, 2005, the balance of all awards outstanding which had not yet been paid to applicants was \$449,906.

6) In 2005, two single applicants who received financial support under section 59.3 of the Act before the proceeding was certified as a class proceeding, obtained certification for the proceedings before December 31, 2005.

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 2005, and

ii) one individual applicants who was part of multi action cases settled their proceedings during 2005.

8) One application from individual defendant in a multi action case and no application from defendant under section 59.4 of the Act were received in 2005; nine applications were received in 2004.

9) \$1,000 was paid from the Fund to defendants under section 59.4 of the Act in 2005 and \$217,000 was paid in 2004.

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

Type of Disbursement	Amount Awarded *						
	2005 Case "A"	2005 Case "B"	2005 Case "C"	2005 Case "D"	2005 Case "E"	2005 (All Cases)	2004 (All Cases)
Notice to Class	-	-	15,000.00	-	(1,873.04)	13,126.96	54,919.71
Research and Preparation of evidence	-	-	-	-	(305.47)	(305.47)	4,112.35
Copy and Binding	1,000.00	8,672.44	10,000.00	-	(68.91)	19,603.53	33,205.36
Service of Court Documents	100.00	10.00	2,500.00	-	-	2,610.00	14,638.49
Filing of Court Documents	110.00	550.00	337.00	-	-	997.00	10,634.92
Computer Research	500.00	500.00	-	-	-	1,000.00	685.75
Facsimile Charges	250.00	300.00	2,000.00	-	(30.60)	2,519.40	7,489.26
Examiners' Charges	-	-	27,500.00	10,000.00	-	37,500.00	53,419.00
Experts' Fees	150,000.00	-	25,000.00	9,500.00	-	184,500.00	159,443.00
Searches	-	-	250.00	-	(30.40)	219.60	1,333.00
Deliveries	300.00	578.12	750.00	-	(10.10)	1,618.02	3,781.19
Miscellaneous	30.00	767.40	-	-	-	797.40	4,060.58
Travel Expense	100.00	6,000.00	-	-	(952.51)	5,147.49	8,398.74
Goods and Services Tax	10,667.30	1,177.96	5,834.00	1,365.00	(228.97)	18,815.29	9,018.21
SCC Security	-	-	-	-	-	-	-
Agency Fees	-	-	-	-	-	-	37.00
Total	163,057.30	18,555.92	89,171.00	20,865.00	(3,500.00)	288,149.22	365,176.56

* net of recovered/cancelled awards

Case "A"

A class action on behalf of customers of a utility regarding excessive interest allegedly charged by the utility.

Case "B"

A class action on behalf of authors and creators of original literary works whose copyright has allegedly been infringed upon with respect to publication in the electronic media.

Case “C”

Case of alleged failure to exercise care, diligence and skill in administering and investing re: pension plan resulting in losses to members of the plan.

Case “D”

Cases of alleged excessive interest rate charges on payday loans.

Case “E”

Case of alleged over-charging by financial institutions with respect to balance used to calculate mortgage early payment penalties.

The Members of the Committee during 2005 consisted of:

Appointed jointly by the Law Foundation and the Attorney General:

Robert B. Munroe, Chair
Ross & McBride LLP
Barristers & Solicitors
Hamilton, Ontario

Brian P. Bellmore
Bellmore & Moore
Barristers and Solicitors
Toronto, Ontario

Valerie A. Edwards
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

Appointed by The Law Foundation of Ontario:

Mark Leach
Assistant Deputy Attorney General
Policy Division
Ministry of the Attorney General
Toronto, Ontario

GRANTS AUTHORIZED DURING 2005

The Advocates' Society <i>Streamlining the Ontario Civil Justice System Forum</i>	\$25,000
Association In Defence of the Wrongly Convicted (AIDWYC) Program Activities 2005/2006	\$135,000
Assumption University, University of Windsor <i>Assumption University Chair in Legal and Business Ethics</i>	\$50,000
Canadian Civil Liberties Education Trust <i>Teaching Civil Liberties Project</i>	\$214,138
Canadian Council of Christians and Jews (CCCJ) <i>Young Leaders' Forum</i>	\$110,000
Canadian Foundation for Children, Youth and the Law (Justice For Children & Youth) <i>Street Youth Legal Services</i>	\$110,850
Canadian Institute for the Administration of Justice <i>Technology, Privacy and Justice - Conference Proceedings</i>	\$10,000
Canadian Superior Courts Judges Association <i>Try Judging</i>	\$20,000
CARFAC Ontario <i>Visual Artist Legal Clinic of Ontario (VALCO)</i>	\$45,000
Centre for Equality Rights in Accommodation (CERA) <i>Community Action on Housing Rights, Year II</i>	\$42,400
Chief Justice of Ontario's Advisory Committee on Professionalism <i>Professionalism Toolkit</i>	\$45,000
<i>Inventory of Materials</i>	\$10,000
Community Living Algoma <i>Workshop on Estate Planning for People with Intellectual Disabilities</i>	\$8,000
Gale Cup Moot Committee <i>Gale Cup Moot – 2006</i>	\$35,000

Humber Institute of Technology and Advanced Learning <i>Program in Forensic Practice On-line Course Development</i>	\$40,000
Indigenous Bar Association <i>To Enable Ontario Law Students to attend Annual Conference</i>	\$15,000
International Criminal Tribunal for Rwanda (ICTR) <i>Appellate Advocacy Training Program</i>	\$13,400
International Law Association, Canadian Branch <i>Biennial Conference</i>	\$50,000
Jessup Canada <i>Canadian Jessup Tournament - 2006</i>	\$25,000
<i>Canadian Jessup Tournament - 2007</i>	\$25,000
The Kawaskimhon National Aboriginal Rights Moot	\$7,000
Lake Ontario Waterkeeper <i>Clean Water Workshop</i>	\$30,000
The Law Foundation of Ontario Public Interest Articling Fellowships	
Amnesty International	\$69,500
Barbra Schlifer Clinic	\$69,500
Canadian Internet Policy and Public Interest Clinic	\$69,500
Legal Assistance of Windsor	\$69,500
Lake Ontario Waterkeeper	\$69,500
Public Interest Advocacy Centre	<u>\$69,500</u>
	<u>\$417,000</u>
Law Schools Funding (2006/2007 Comprehensive Grants)	
Osgoode Hall Law School of York University	\$408,575
Queen's University Law School	\$336,285
University of Ottawa Law School	\$336,285
University of Toronto Law School	\$336,285
University of Western Ontario Law School	\$336,285
University of Windsor Law School	<u>\$336,285</u>
	<u>\$2,090,000</u>

Law Schools Funding (2006/2007 Special Grants)	
Osgoode Hall Law School of York University	
<i>Heads Up, Head Out: Public Interest Program</i>	\$15,000
<i>The Osgoode Cup National Undergraduate Mooting Competition</i>	\$10,000
Queen's University Law School	
<i>Queen's Faculty of Law/Law Foundation of Ontario Internship Fund</i>	\$25,000
University of Ottawa Law School	
<i>Aboriginal Legal Services</i>	\$25,000
University of Toronto Law School	
<i>Professional Diversity and Legal Opportunities Officer</i>	\$25,000
University of Western Ontario Law School	
<i>High School PLE Project</i>	\$10,780
<i>Emerging Issues in Tort Law Conference</i>	\$8,229
<i>Digital Video Editing Equipment</i>	\$5,991
University of Windsor Law School	
<i>Intellectual Property and Innovation Law</i>	<u>\$25,000</u>
<i>Legal Information Network (IPLIN)</i>	<u>\$150,000</u>
Law Society of Upper Canada	
<i>Licensing Process Enhancements</i>	\$1,000,000
<i>Legal Practice Research Project</i>	\$26,000
Archives Activities 2006	<u>\$50,000</u>
	<u>\$1,076,000</u>
L.E.A.F. Women's Legal Education and Action Fund	
<i>Women's Rights and Freedoms – 20 Years of (In) Equality Conference</i>	\$15,000
League for Human Rights of B'nai Brith Canada	
<i>Taking Action Against Hate Manual</i>	\$25,000
LibraryCo	
<i>advoCHAT</i>	\$191,300
Electronic Acquisitions 2006	\$850,000
Lifetime Networks Ottawa	
<i>Future Planning Workshops for families supporting a relative with a disability</i>	\$9,000
LIFE*SPIN	
<i>Sourced Legal Compendium</i>	\$92,800
Native Law Centre, University of Saskatchewan	
<i>Aboriginal Legal Education and Research Activities and the Native Law Library</i>	\$14,000

Ontario Bar Association (OBA) <i>Law Day 2005</i>	\$53,800
Ontario Justice Education Network (OJEN) Program Activities 2005/2006	\$385,000
The Osgoode Society for Canadian Legal History Program Activities 2006	\$160,000
The Osgoode Society for Canadian Legal History/ Law Society of Upper Canada <i>The Honourable R.. Roy McMurtry Legal History Fellowship</i>	\$375,000
PEACH (Promoting Economic Action and Community Health) <i>Jane Finch Community Legal Education Forum</i>	\$9,460
Pro Bono Law Ontario Program Activities 2006 <i>Volunteer Lawyers Service 2006</i> <i>Access to Justice Visioning Retreat</i>	\$346,370 \$109,760 \$23,900
Pro Bono Students Canada (PBSC) Program Activities 2005/2006	\$493,200
SALCO (South Asian Legal Clinic of Ontario) <i>Pro Bono Project 2005-2007</i>	\$500,000
Scadding Court Community Centre <i>Community Education and Access to Police Complaints</i>	\$21,639
Shari'a & the Law, Student Working Group, University of Toronto <i>Speaker Series</i>	\$2,500
Sierra Legal Defence Fund <i>Legal Toolkit Capacity Building Workshop; Law Library Acquisitions</i>	\$21,000
Sir Wilfred Laurier School <i>Duke Moot Court Tournament</i>	\$4,000
Spetz Publishing Ltd. <i>Resource Materials for High School Law Teachers</i>	\$10,000
Symposium for Combating Hatred Organizing Committee <i>Symposium for Combating Hatred</i>	\$40,000

United Way of Greater Toronto	\$5,000
<i>Access to Justice for Immigrant and Refugee Women</i>	
University of Toronto Law School	
<i>The Heart of a Just Society Conference</i>	\$26,000
<i>Access to Care, Access to Justice Conference</i>	
\$10,000	
University of Toronto Law School/Toronto District School Board	
<i>Law in Action Within Schools (LAWS)</i>	\$131,733
Workers' Action Centre (formerly TOFFE)	
<i>Contingent Workers' Project – Year III</i>	<u>\$71,395</u>
Total	<u>\$8,795,645</u>

THE LAW FOUNDATION OF ONTARIO

FINANCIAL STATEMENTS

DECEMBER 31, 2005

THE LAW FOUNDATION OF ONTARIO

DECEMBER 31, 2005

CONTENTS

	Page
Auditors' Report	1
Financial Statements:	
Statement of Financial Position	2-3
Statement of Revenue, Expenses and Grants	4-5
Statement of Changes in Fund Balances	6
Statements of Cash Flows	7
Notes to Financial Statements	8-13

AUDITORS' 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, 2005 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, 2005 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.

Mintz & Partners LLP

Toronto, Ontario
March 15, 2006

CHARTERED ACCOUNTANTS

THE LAW FOUNDATION OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31	2005	2004
	\$	\$

A S S E T S

CURRENT

Cash	914,993	596,663
Externally restricted cash for Pro Bono Law Ontario Fund (Note 3)	132,031	944,026
Current portion of externally restricted cash and short-term investments for Class Proceedings Fund (Note 4)	449,906	330,624
Short-term investments (Note 5)	23,277,452	20,617,690
Marketable securities, at cost (market value – \$8,718,523; 2004 - \$8,934,970) (Note 5)	8,554,503	8,597,310
Due from Legal Aid Ontario (Note 6)	-	139,726
Accrued interest receivable	<u>168,327</u>	<u>128,183</u>
	33,497,212	31,354,222

EXTERNALLY RESTRICTED CASH AND SHORT-TERM INVESTMENTS FOR CLASS PROCEEDING FUND (Note 4)

	4,342,760	4,553,669
--	-----------	-----------

PROPERTY AND EQUIPMENT (Note 7)

	<u>61,011</u>	<u>62,641</u>
--	---------------	---------------

TOTAL ASSETS

	<u><u>37,900,983</u></u>	<u><u>35,970,532</u></u>
--	--------------------------	--------------------------

L I A B I L I T I E S

CURRENT

Accrued liabilities	42,226	53,404
Interest payable to Legal Aid Ontario	6,271	29,213
Grants authorized (Note 8)	10,598,471	9,912,404
Due to Legal Aid Ontario (Note 6)	<u>566,810</u>	<u>-</u>

TOTAL LIABILITIES

	<u><u>11,213,778</u></u>	<u><u>9,995,021</u></u>
--	--------------------------	-------------------------

See Accompanying Notes

2.

THE LAW FOUNDATION OF ONTARIO

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31	2005 \$	2004 \$
<u>FUND BALANCES</u>		
INTERNALLY RESTRICTED FUND BALANCES		
Reserve Fund (Note 9)	11,153,821	10,672,825
Strategic Initiative Fund (Note 12)	3,150,000	-
Future Commitment Fund (Note 10)	1,984,511	2,513,273
Public Interest Articling Fellowships Fund (Note 11)	<u>1,561,500</u>	<u>-</u>
	17,849,832	13,186,098
EXTERNALLY RESTRICTED FUND BALANCES		
Class Proceedings Fund (Note 13)	4,322,358	4,526,554
Pro Bono Law Ontario Fund (Note 14)	1,378	1,378
Roy and Ria McMurtry Endowment Fund (Note 15)	<u>116,120</u>	<u>-</u>
TOTAL RESTRICTED FUND BALANCES	<u>22,289,688</u>	<u>17,714,030</u>
UNRESTRICTED FUND BALANCE – GENERAL FUND	<u>4,397,517</u>	<u>8,261,481</u>
TOTAL FUND BALANCES	<u>26,687,205</u>	<u>25,975,511</u>
TOTAL LIABILITIES PLUS FUND BALANCES	<u>37,900,983</u>	<u>35,970,532</u>

APPROVED ON BEHALF OF THE BOARD:

"Larry Banack" _____ Trustee

"Mark D. Leach" _____ Trustee

See Accompanying Notes

3.

THE LAW FOUNDATION OF ONTARIO

STATEMENT OF REVENUE, EXPENSES AND GRANTS

FOR THE YEAR ENDED DECEMBER 31

2005

	Internally Restricted- Reserve Fund \$	Internal Restricted - Public Interest Articling Fellowships 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 \$
REVENUE							
Interest on lawyers' mixed trust accounts, net of service charges of \$2,863,675 (Note 16)	-	-	34,834,566	-	-	-	34,834,566
Other interest	474,893	-	598,639	125,662	10,555	1,990	1,211,739
Grant to be returned to Legal Aid Ontario	-	-	-	-	(37,429)	-	(37,429)
Funds generated	-	-	-	-	-	57,065	57,065
Levy on awards (Note 13)	-	-	-	10,154	-	-	10,154
Amortization of bond discount	<u>6,103</u>	-	-	-	-	-	<u>6,103</u>
	<u>480,996</u>	-	<u>35,433,205</u>	<u>135,816</u>	<u>(26,874)</u>	<u>59,055</u>	<u>36,082,198</u>
EXPENSES							
Salaries	-	-	439,088	26,402	-	-	465,490
Rent and occupancy	-	-	132,256	671	-	-	132,927
Other administrative	-	21,500	178,044	23,790	5,277	-	228,611
Professional fees	-	-	79,742	-	-	-	79,742
Printing and office supplies	-	-	20,808	-	-	-	20,808
Cost awards (Note 13)	-	-	-	1,000	-	-	1,000
Depreciation and amortization	-	-	<u>24,119</u>	-	-	-	<u>24,119</u>
	-	<u>21,500</u>	<u>874,057</u>	<u>51,863</u>	<u>5,277</u>	-	<u>952,697</u>
Excess of revenue over expenses before the following	<u>480,996</u>	<u>(21,500)</u>	<u>34,559,148</u>	<u>83,953</u>	<u>(32,151)</u>	<u>59,055</u>	<u>35,129,501</u>
Allocation to Legal Aid Ontario (Note 6)	-	-	25,470,381	-	-	-	25,470,381
Grants authorized, net of reversal of grants authorized in prior years (Note 8)	-	<u>417,000</u>	<u>8,317,134</u>	<u>288,149</u>	<u>(74,857)</u>	-	<u>8,947,426</u>
	-	<u>417,000</u>	<u>33,787,515</u>	<u>288,149</u>	<u>(74,857)</u>	-	<u>34,417,807</u>
Excess (deficiency) of revenue over expenses and grants for the year	<u>480,996</u>	<u>(438,500)</u>	<u>771,633</u>	<u>(204,196)</u>	<u>42,706</u>	<u>59,055</u>	<u>711,694</u>

See Accompanying Notes

4.

THE LAW FOUNDATION OF ONTARIO

STATEMENT OF REVENUE, EXPENSES AND GRANTS

FOR THE YEAR ENDED DECEMBER 31

2004

	Internally Restricted- Reserve Fund \$	Unrestricted- General Fund \$	Externally Restricted – Class Proceedings Fund \$	Externally Restricted-Pro Bono Law Ontario Fund \$	Total \$
REVENUE					
Interest on lawyers' mixed trust accounts, net of service charges of \$2,853,075 (Note 16)	-	26,690,476	-	-	26,690,476
Other interest	451,649	634,171	79,831	11,612	1,177,263
Grant received from Legal Aid Ontario	-	-	-	383,338	383,338
Levy on awards (Note 13)	-	-	1,679,183	-	1,679,183
Amortization of bond discount	<u>3,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,174</u>
	<u>454,823</u>	<u>27,324,647</u>	<u>1,759,014</u>	<u>394,950</u>	<u>29,933,434</u>
EXPENSES					
Salaries	-	441,599	13,438	-	455,037
Rent and occupancy	-	125,320	2,862	-	128,182
Other administrative	-	97,764	22,294	5,806	125,864
Professional fees	-	56,486	-	-	56,486
Printing and office supplies	-	12,921	-	-	12,921
Cost awards (Note 13)	-	-	217,000	-	217,000
Depreciation and amortization	<u>-</u>	<u>13,510</u>	<u>-</u>	<u>-</u>	<u>13,510</u>
	<u>-</u>	<u>747,600</u>	<u>255,594</u>	<u>5,806</u>	<u>1,009,000</u>
Excess of revenue over expenses before the following	<u>454,823</u>	<u>26,577,047</u>	<u>1,503,420</u>	<u>389,144</u>	<u>28,924,434</u>
Allocation to Legal Aid Ontario (Note 6)	-	19,557,838	-	-	19,557,838
Grants authorized, net of reversal of grants authorized in prior years (Note 8)	<u>(253,000)</u>	<u>10,381,190</u>	<u>365,176</u>	<u>1,106,240</u>	<u>11,599,606</u>
	<u>(253,000)</u>	<u>29,939,028</u>	<u>365,176</u>	<u>1,106,240</u>	<u>31,157,444</u>
Excess (deficiency) of revenue over expenses and grants for the year	<u>707,823</u>	<u>(3,361,981)</u>	<u>1,138,244</u>	<u>(717,096)</u>	<u>(2,233,010)</u>

See Accompanying Notes

5.

THE LAW FOUNDATION OF ONTARIO STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED DECEMBER 31

	2005					
	Internally Restricted Funds					
	Public Interest Arts/ling Fellowships Fund \$	Future Commitment Fund \$	Strategic Initiative Fund \$	Unrestricted – General Fund \$	Externally Restricted – Class Proceedings Fund \$	Externally Restricted – Pro Bono Law Ontario Fund \$
FUND BALANCES - BEGINNING OF YEAR	10,672,825	-	2,513,273	-	4,526,554	1,378
Excess (deficiency) of revenue over expenses, and grants for the year	-	-	-	-	-	-
Transfers in (out) during the year, net	480,996	-	-	771,633	(204,196)	42,706
	-	(538,762)	3,150,000	(4,635,592)	-	(42,706)
FUND BALANCES - END OF YEAR	11,153,821	1,974,511	3,150,000	4,397,517	4,322,358	1,378
						116,120
						26,687,205
	2004					
	Internally Restricted Funds					
	Reserve Fund \$	Future Commitment Fund \$		Unrestricted – General Fund \$	Externally Restricted – Class Proceedings Fund \$	Externally Restricted – Pro Bono Law Ontario Fund \$
FUND BALANCES - BEGINNING OF YEAR	9,965,002	-	-	14,491,854	3,388,310	363,355
Excess (deficiency) of revenue over expenses, and grants for the year	707,823	-	-	(3,361,981)	1,138,244	(717,096)
Transfers in (out) during the year, net	-	2,513,273	-	(2,868,392)	-	355,119
FUND BALANCES - END OF YEAR	10,672,825	2,513,273	-	8,261,481	4,526,554	1,378
						25,975,511

See Accompanying Notes

THE LAW FOUNDATION OF ONTARIO STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31	2005	2004
OPERATING ACTIVITIES		
Excess of revenue over expenses and grants for the year	711,694	(2,233,010)
Add item not involving cash		
Depreciation and amortization	24,119	13,510
Amortization of bond discount	<u>6,104</u>	<u>3,174</u>
	741,917	(2,216,326)
Changes in non-cash balances relating to operations		
Accrued interest receivable	(40,144)	21,666
Due from/to Legal Aid Ontario	706,534	(165,985)
Accrued liabilities	(11,178)	(67,265)
Interest payable to Legal Aid Ontario	(22,942)	5,806
Grants authorized	<u>686,067</u>	<u>3,913,377</u>
CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,060,254</u>	<u>1,491,273</u>
INVESTING ACTIVITIES		
(Increase) decrease in short-term investments	(2,659,762)	407,365
Decrease (increase) in marketable securities	36,704	(48,443)
Decrease (increase) in externally restricted cash for Pro Bono Law Ontario Fund	811,995	(391,561)
Increase in current portion of externally restricted cash and short-term investments for Class Proceedings Fund	(119,282)	(241,196)
Decrease (increase) in externally restricted cash and short-term investments for Class Proceedings Fund	210,909	(1,141,090)
Purchase of property and equipment	<u>(22,488)</u>	<u>(20,790)</u>
CASH USED IN INVESTING ACTIVITIES	<u>(1,741,924)</u>	<u>(1,435,715)</u>
NET INCREASE (DECREASE) IN CASH DURING THE YEAR	318,330	55,558
CASH - BEGINNING OF YEAR	<u>596,663</u>	<u>541,105</u>
CASH - END OF YEAR	<u><u>914,993</u></u>	<u><u>596,663</u></u>

See Accompanying Notes

7.

THE LAW FOUNDATION OF ONTARIO

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

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) Fund Balances

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

The Foundation follows the restricted method of accounting for revenue.

b) 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.

c) Grants

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

d) 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.

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

e) Marketable Securities

Marketable securities are recorded at cost, net of applicable bond premium or discount amortization. Bond premiums and discounts are amortized on a straight-line basis over the period to maturity.

f) Property and Equipment

Property and equipment is carried at cost less accumulated amortization. Furniture and fixtures are amortized on a declining balance basis at 20% per annum. Computer hardware and software are amortized 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.

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.

3. EXTERNALLY RESTRICTED CASH FOR PRO BONO LAW ONTARIO FUND

Restricted cash \$132,031 (2004 – \$944,026) is externally restricted for Pro Bono Law Ontario Fund grants. Any unexpended amounts are reversed or cancelled and returned to the original grantor.

4. 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 \$449,906 (2004 – \$330,624) which has been authorized as grants to be paid in the 2006 fiscal year.

5. SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

The Foundation's short-term investments comprise GICs and bankers acceptances of \$23,277,452 (2004 - \$20,617,690). The effective yields on these investments range from 3.05% to 3.45% and mature within one year.

The Foundation's marketable securities are comprised of bonds of \$8,554,503 (2004 - \$8,597,310) which mature between April 12, 2006 and October 12, 2015 and can be liquidated at any time. The coupon rate ranges from 3.50% to 6.70%.

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. DUE FROM (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.

	<u>2005</u> \$	<u>2004</u> \$
Interest on lawyers' mixed trust accounts (net of service charges)	34,834,566	26,690,476
Interest on underpayment of interest on lawyers' mixed trust account	-	134,241
Expenses	<u>(874,057)</u>	<u>(747,600)</u>
Interest after expenses	<u>33,960,509</u>	<u>26,077,117</u>
Due from (to) Legal Aid Ontario – Beginning of year	139,726	(26,259)
Received from Legal Aid Ontario during the year	(129,126)	-
Cancellation of interest payable carried from 2004	(29,213)	-
75% allocation to Legal Aid Ontario	(25,470,380)	(19,557,838)
Paid to Legal Aid Ontario during the year	<u>24,959,612</u>	<u>19,565,485</u>
Due to Legal Aid Ontario	(529,381)	(18,612)
Due from Legal Aid Ontario 2005 PBLO grant authorized	-	346,370
Cancellation of Unexpended grants in PBLO fund (Note 13)	<u>(37,429)</u>	<u>(188,032)</u>
Due (to) from Legal Aid Ontario – End of year	<u>(566,810)</u>	<u>139,726</u>

7. PROPERTY AND EQUIPMENT

PROPERTY AND EQUIPMENT

	<u>Cost</u> \$	<u>Accumulated Amortization</u> \$	<u>Net Carrying Amount</u>	
			<u>2005</u> \$	<u>2004</u> \$
Furniture and fixtures	78,093	47,335	30,758	38,447
Computer hardware	76,732	54,241	22,491	14,714
Computer software	41,520	36,138	5,382	3,531
Leasehold improvements	<u>17,846</u>	<u>15,466</u>	<u>2,380</u>	<u>5,949</u>
	<u>214,191</u>	<u>153,180</u>	<u>61,011</u>	<u>62,641</u>

/Continued...

8. GRANTS AUTHORIZED

Grants authorized consist of the following:

	2005				
	Internally Restricted- Public Interest Articling Fellowships Fund \$	Unrestricted- General Fund \$	Externally Restricted – Class Proceedings Fund \$	Externally Restricted-Pro Bono Law Ontario Fund \$	Total \$
Grants authorized for future payment – Beginning of year	-	8,725,041	330,623	856,740	9,912,404
Grants authorized	417,000	8,378,645	291,649	-	9,087,294
Grants authorized cancelled (Note 13)	-	-	(3,500)	-	(3,500)
Grants payable cancelled	-	(61,511)	-	(74,857)	(136,368)
Grant payments recovered (Note 13)	-	-	3,500	-	3,500
Grants paid	-	(7,354,328)	(172,366)	(738,165)	(8,264,859)
Grants authorized for future payment – End of year	<u>417,000</u>	<u>9,687,847</u>	<u>449,906</u>	<u>43,718</u>	<u>10,598,471</u>

	2004				
	Internally Restricted- Reserve Fund \$	Unrestricted- General Fund \$	Externally Restricted – Class Proceedings Fund \$	Externally Restricted-Pro Bono Law Ontario Fund \$	Total \$
Grants authorized for future payment – Beginning of year	253,000	5,488,414	89,427	168,186	5,999,027
Grants authorized	-	10,539,825	419,038	1,184,740	12,143,603
Grants authorized cancelled (Note 13)	(253,000)	(9,717)	(53,862)	-	(316,579)
Grants payable cancelled	-	(148,918)	-	(78,500)	(227,418)
Grant payments recovered (Note 13)	-	9,717	53,862	-	63,579
Grants paid	-	(7,154,280)	(177,842)	(417,686)	(7,749,808)
Grants authorized for future payment – End of year	<u>-</u>	<u>8,725,041</u>	<u>330,623</u>	<u>856,740</u>	<u>9,912,404</u>

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 this new fund rather than the unrestricted – General Fund.

11. PUBLIC INTEREST ARTICLING FELLOWSHIPS FUND

In 2005, the Trustees of the Foundation established a new Fund for the Public Interest Articling Fellowships program, for an initial term of four years. The Fellowships will be 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 is allocated from unrestricted fund to fund the initial four years 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. 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 2005, the Fund recovered a previous year's disbursement award grant payment of \$3,500 (2004 - \$53,862). The Fund paid cost awards of \$1,000 (2004 - \$217,000) as a result of cost awards made against funded plaintiffs. The Fund received a levy on awards of \$10,154 (2004 - \$1,679,183) as a result of settlements to funded plaintiffs.

14. THE PRO BONO LAW ONTARIO FUND

In 2005, the Trustees of the Foundation cancelled the 2004 unexpended Pro Bono Law Ontario grants of \$74,857 (2004 - \$78,500). 50% of the unexpended amount is payable to Legal Aid Ontario and has been included in the current liabilities.

The Pro Bono Law Ontario Fund will stop operation in 2006. In the future, The Law Foundation of Ontario and Legal Aid Ontario will each deal with Pro Bono Law Ontario directly with respect to funding. 2005's funding of \$346,370 (2004 - \$346,370) from The Law Foundation of Ontario has been included in the grants authorized under general fund.

15. 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 the community, within the Law Foundation's objects and for an organization chosen by Chief Justice and Mrs. McMurtry.

16. 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.

17. LEASE COMMITMENTS

The Foundation has obligations under a non-cancellable operating lease, which will expire in August 2006. The future minimum lease payments for premises in 2006 are approximately \$42,000.

18. 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, 2005, 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.

19. FINANCIAL INSTRUMENTS

Fair value

The company's carrying value of cash, short-term investments, due from/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.

The fair value of the short-term investments are as shown on the statement of financial position.

[illegible]