



THE LAW
FOUNDATION
OF ONTARIO
2011
ANNUAL
REPORT



STATUTORY DECLARATION

CROWN WARDSHIP





FIDUCIARY OBLIGATION

**LITIGATION
GUARDIAN**

**DUTY
OF CARE**



IN A WORLD CHARACTERIZED BY
COMPLEX AND HIGHLY SPECIALIZED
LANGUAGE, ONTARIO'S JUSTICE
SYSTEM CAN BE AN OVERWHELMING
PLACE. SOME GROUPS FACE
PARTICULARLY HIGH BARRIERS
WHEN THEY NAVIGATE IT.

IN THIS YEAR'S ANNUAL REPORT,
WE HIGHLIGHT SOME PROJECTS
THAT BENEFIT CHILDREN AND YOUTH,
WHO ARE JUST ONE OF THE MANY
VULNERABLE GROUPS WE SUPPORT.

TABLE OF CONTENTS

07	Message from the Chair
11	Financial Overview
12	Notable Numbers
14	Featured Grants
17	Access To Justice Fund
21	Grants Authorized
25	Class Proceedings Fund
32	Governance and Staffing
34	Financial Statements

The Law Foundation of Ontario (LFO) is a non-profit corporation established by provincial statute in 1974. It has a unique mandate to help more people understand the law and use it to improve their lives. Enhanced access to justice, particularly for disadvantaged groups, is an underlying objective of all of the LFO's work. It makes carefully selected grants, fosters excellence on the part of legal professionals, and promotes the pursuit of careers in public interest law. The LFO is primarily funded by the interest earned on the mixed trust accounts into which Ontario lawyers and paralegals deposit funds held in trust for clients. The LFO operates the national Access to Justice Fund, funded through cy-près awards, and administers the Class Proceedings Fund.



BECAUSE WE UNDERSTAND THE IMPORTANCE OF ACCOUNTABILITY AND TRANSPARENCY, THIS REPORT IS FULL OF FACTS AND NUMBERS – HOWEVER, WE DO NOT FORGET THAT OUR WORK PROFOUNDLY AFFECTS PEOPLE’S LIVES.

“ANNIE” – FROM CONSTANT STRESS TO A SENSE OF EMPOWERMENT:

When she was a young girl, Annie moved to Thunder Bay from the far north with her mother and two brothers. Her family life was characterized by violence and abuse. Currently serving a sentence under the *Youth Criminal Justice Act*, she participated in the Active Citizens project run by the Ontario Justice Education Network (OJEN), a long-time grantee of the Law Foundation of Ontario. The five week Active Citizens project she participated in introduces youth to social justice concepts and helps to foster civic engagement. The positive impact it had on Annie and her classmates has been encouraging. “When she isn’t in custody, she doesn’t attend school very frequently and even if this program came to her class she wouldn’t necessarily have the confidence to stand up in front of her peers and voice her opinion,” commented her teacher. “This program with OJEN has been a real opportunity for her.”

“ALISON” – THE POWER OF LEGAL ADVICE AVAILABLE IN THE RIGHT PLACE FROM SOMEONE TRUSTED:

A 16-year-old girl had been living on the street and in shelters when, by chance, she went to a shelter workshop delivered by the Street Youth Legal Services program funded by the Law Foundation of Ontario. Afterwards, she approached the lawyer giving the workshop. She mentioned that she thought her grandmother had left a life insurance policy naming her as beneficiary but that the monies were being taken by other family members. With the lawyer’s help, she was able to access that money. This enabled her to get her own apartment and enrol in post-secondary studies.

These are only two of the many individuals helped by the programs funded by the Law Foundation of Ontario (LFO). They represent the many young people who benefit from the grants made by the LFO, some of which are highlighted in this report. Others are victims of domestic violence, students learning about the justice system, self-represented litigants facing actions in courts and before tribunals, those who have been wrongly convicted, and young and not so young lawyers seeking opportunities to develop or hone their skills and to work in the public interest.

Even though low interest rates throughout 2011 constrained the revenues we received from the interest on lawyers' and paralegals' mixed trust accounts, we were determined to find ways to maintain our support of our existing grant programs. We did so by once again reducing our own operating expenses, by laying new groundwork to enhance the returns from the financial institutions holding mixed trust accounts, and by acting quickly on the opportunity presented by three new *cy-près* awards to the Access to Justice Fund.

These new awards to the Access to Justice Fund (which reflect confidence in our effectiveness as a grantmaker) enabled us to support even more exciting and important initiatives both in Ontario and across Canada. For example, we have made a substantial body of grants to increase access to justice for Aboriginal peoples. These grants have ranged from a project which uses interactive theatre presentations to teach Aboriginal students in remote communities in northern B.C., Saskatchewan and the Yukon about legal issues that affect their daily lives; to projects across the country that help Aboriginal victims of violence; to a national project led by the Indigenous Bar Association which, with the support of the Truth and Reconciliation Commission, works with Aboriginal communities to address the legacy of residential school abuse.

We are allowing ourselves a small measure of pride in the confidence that we have earned from our major stakeholder groups. We were pleased with the results of two surveys designed to assess our own effectiveness. A survey of the legal profession showed strong support for the work that we do and a remarkably high customer satisfaction rating from those legal professionals who interacted with LFO staff. A survey of LFO grant applicants and grantees showed that a significant number of LFO grants have a valuable "multiplier" effect (that is, helping grantees leverage other funds or earn greater recognition), and that even applicants who were denied funding viewed our processes as fair.

On behalf of the board, I extend a special thank you to Janet Minor, who served as a trustee for two years and as a member of the Class Proceedings Committee for one year. She has a passion for access to justice that enlivened our discussions and brought new ideas to the table. And I would like to welcome Carol Hartman, who joined the board in 2011.

I offer my sincere thanks to my fellow trustees, LFO staff and all of our partners, including the legal professionals whose practices generate our revenue and the grantees who put that money to such good use. We look back on 2011 with pride and forward to 2012 with hope.



Mark J. Sandler
Chair

THE LAW FOUNDATION OF ONTARIO
IS A CATALYST FOR ADVANCING THE IDEAL
OF A TRULY ACCESSIBLE JUSTICE SYSTEM.
THE LFO IS RECOGNIZED AS A LEADER,
WORKING THROUGH CREATIVE PARTNER-
SHIPS TO SUSTAIN AND STRENGTHEN
THE DEVELOPMENT OF A JUST SOCIETY.



THE LAW FOUNDATION OF ONTARIO
IS COMMITTED TO THE ADVANCEMENT OF
LEGAL KNOWLEDGE, EXCELLENCE WITHIN
THE LEGAL PROFESSION AND COMMUNITY
PARTICIPATION IN THE LEGAL SYSTEM.
THE LFO FUNDS PROGRAMS AND INITIATIVES
THAT PROMOTE AND ENHANCE ACCESS
TO JUSTICE FOR ALL ONTARIANS.



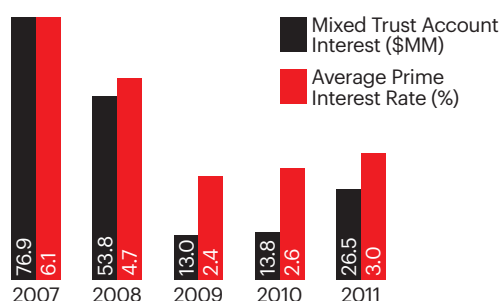


REVENUES

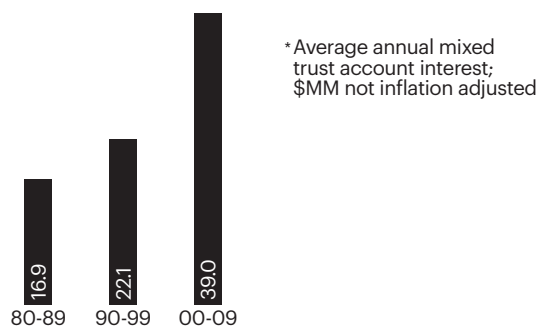
Most of the LFO's revenue comes from interest earned on the mixed trust accounts into which Ontario lawyers and paralegals deposit funds held in trust for clients. By law, all such interest is paid to the LFO. Revenues were up in 2011, due to gradual interest-rate increases in 2010 and higher mixed-trust balances in 2011, but still well below previous years.

The LFO negotiates rates of return with financial institutions, and some agreements are more favourable than others. If lawyers and paralegals had shifted their money in mixed trust deposits from the bank that provided the worst terms in 2011 to the bank that provided the best terms, the shift would have generated enough additional revenue for the LFO to fund not only more essential legal services through Legal Aid Ontario, but also, for example, eight years of the Street Youth Legal Services program.

INTEREST REVENUES AND RATES



HISTORIC INTEREST REVENUES*

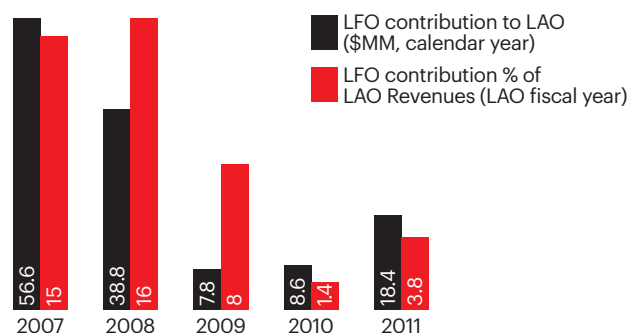


EXPENDITURES

LFO operating expenses for 2011 were \$2.1 million (excluding Class Proceedings Committee operating costs), a reduction of 15% from 2010, which itself was a reduction of 4.5% from 2009.

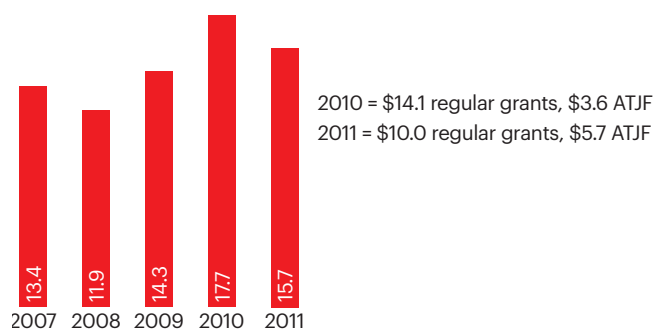
Three-quarters of net revenue from mixed trust accounts (less operating expenses) is paid to Legal Aid Ontario, supplementing its other revenue sources and directly supporting the delivery of legal services to low-income Ontarians. The LFO contribution is a very small portion of LAO's total revenues for its fiscal year ending March 31, 2011.

LFO FUNDING TO LAO



Remaining net revenue is awarded in diverse grants that support access to justice and excellence in the legal profession. Use of surplus funds from previous years has helped to maintain the level of regular grants in recent years despite low revenues, although surplus funds were not available to the same extent in 2011 as in 2010.

GRANTS AUTHORIZED (\$MM)



NOTABLE NUMBERS

115

NEW GRANTS WITH
VALUE OF \$15.7 MILLION
APPROVED *

47,500

LAWYERS AND
PARALEGALS IN
ONTARIO

MORE THAN 62,000 STUDENTS REACHED THROUGH OVER \$1.2 MILLION IN FUNDING
TO EDUCATE YOUTH ABOUT THE JUSTICE SYSTEM

48%

OF GRANTEES SAY
LFO SUPPORT HAS HELPED THEM
SECURE OTHER FUNDING

2

COMMUNITY
LEADERSHIP
IN JUSTICE
FELLOWSHIPS
AWARDED



\$2.3 MILLION

PROVIDED TO ONTARIO'S LAW SCHOOLS
(COMPREHENSIVE GRANTS ONLY)



\$18.4 MILLION

PROVIDED TO
LEGAL AID ONTARIO

* Including regular and Access to Justice Fund grants.

89%

OF LAWYERS
AND PARALEGALS SURVEYED
SUPPORT THE ROLE AND
ACTIVITIES OF THE
LAW FOUNDATION

18

ARTICLING FELLOWSHIP
POSITIONS FILLED

94%

OF APPLICANTS SURVEYED
ARE SATISFIED OR VERY SATISFIED
WITH THE LFO'S PROCESS



\$26,500,000

IN LFO
MIXED TRUST
ACCOUNT
REVENUE

ACCESS TO JUSTICE FUND

\$1.6

MILLION IN
NEW CY-PRÉS FUNDS
RECEIVED

11



NATIONAL GRANTS
AWARDED

GRANTS
NOW
AWARDED IN

9

PROVINCES

CLASS PROCEEDINGS FUND

4

CASES SETTLED
FOR MONETARY
PAYMENTS

\$3.1

MILLION
RECOVERED
IN LEVIES

15

NEW CASES
FUNDED



Grantees in action (clockwise from top): National Aboriginal Achievement Foundation, Aamjiwnaang First Nation youth, Association des jurists d'expression française de l'Ontario. *Photos courtesy Association des jurists d'expression française de l'Ontario and Adrian Smith.*

“FIRST NATIONS CHILDREN ARE MORE LIKELY TO END UP IN JAIL THAN GRADUATE HIGH SCHOOL” *

The National Aboriginal Achievement Foundation is working to encourage more Aboriginal students to stay in school, and ultimately to find a positive role for themselves within the justice system. NAAF’s **Circle of Justice** module is delivered in schools across Canada with large Aboriginal populations, and introduces students to justice-related careers such as parole officer, justice of the peace, and paralegal. Interactive exercises and the voices of Aboriginal people who have succeeded in such careers help students to see both the opportunities and the pathways leading towards them.

“It was well presented and hands-on. You never know what’s going to be that one thing to snag a student to want to stay in school and this could very well be it. It’s all about getting those sparks so the fire gets lit.” – Melissa Turner, teacher at Hagersville (Ontario) Secondary School

** Speech by Assembly of First Nations National Chief Shawn A-in-chut Atleo; October 4, 2011*

“64% OF HOMELESS YOUTH IN TORONTO REPORT BEING VICTIMS OF VIOLENT CRIME AT LEAST ONCE” *

Justice for Children and Youth brings legal information and advice directly to street youth, at drop-in centres and shelters, through its **Street Youth Legal Services** program. Relevant legal issues are addressed in creative and practical ways through wallet-sized information cards, workshops and videos. The program empowers street youth to use the law to safeguard their dignity and rights. And it can help create the stability that may make it possible to find housing and leave the risks of a street-involved life behind.

“When I used to live at a shelter they would kick out residents at 8:00 until 5:00 at night. You have to be outside or find somewhere to go and stay warm, and that’s a nine- or 10-hour day. So you tend to run into the police here and there, and have them question you for no reason. And when that shelter address pops up, they tend to become nosey.” – Korie, a SYLS client

** Surviving Crime and Violence; Justice for Children and Youth Report; 2010*

“IT IS TOO OFTEN FORGOTTEN THAT THE SHORTAGE OF BILINGUAL PROFESSIONALS ALSO CONTRIBUTES TO CASTING DOUBT ON THE VERY LEGITIMACY OF THE JUSTICE SYSTEM” *

Recruiting francophone youth into justice-related careers is vital to the future availability of services. **Concentration en justice!** (CEJ) exposes grades 10-12 francophone students in Ottawa to law-related career possibilities. Participants have unique opportunities such as job shadowing a judge or crown prosecutor; and a wide range of justice sector volunteers help provide presentations, workshops, special outings and mentoring. Work is underway to expand CEJ to other francophone secondary schools in Ontario, and program materials are available via the recently launched www.cliquejustice.ca.

“I’m a person who watches the news and I see what’s going on in the world and the country, and there are things that aren’t good. And I want to be sure I will be part of the solution, and help to change people’s lives – changes for minorities in Canada and for the Aboriginal people also.” – Former CEJ participant Jocelyne Coulibaly, who begins law studies at the University of Ottawa in fall 2012.

** From Theory to Practice; University of Ottawa study on French language services in Ontario’s justice sector; 2010*

“85% OF ASSAULTS ON CHILDREN AND YOUTH ARE BY SOMEONE THEY KNOW” *

Giving court testimony is often extremely stressful even for confident adults, so one can only imagine what it’s like for children – particularly since they are often testifying about their own victimization and against someone they know. **Boost Child Abuse Prevention and Intervention** has created a multi-media kit designed to lessen the trauma for children appearing in Ontario courts. Service providers across the province will use the activity-based kit to prepare children by educating them about the look of a courtroom, the roles of the people in it, giving evidence and cross examination, and what it feels like to testify.

“All children should be prepared before going to court because, if not, they’re going to be re-victimized by a criminal justice system that is really set up for adults. There have been advances, but preparation is still critical if children are going to be able to do their job as witnesses.” – Lynn Factor, Child Witness Advocate with Boost

** Family Violence in Canada: A Statistical Profile; Statistics Canada; 2011*

IN THE SHADOW OF THE VALLEY

The highest rate of toxic pollutant exposure in the province and the lowest rate of live male births in the world – these are among the realities of life at the **Aamjiwnaang First Nation**, in southwestern Ontario's Chemical Valley. An LFO-supported community forum at Aamjiwnaang in 2011 focused on legal tools to achieve environmental justice – including access to environmental data and an assessment of potential compensation sources. Local youth, including members of the Aamjiwnaang Green Teens were also engaged in the discussion, and captured their experiences with local environmental impacts through photography and other types of creative expression.

CRITICAL THINKING IN ELEMENTARY SCHOOL

Danielle McLaughlin of the Canadian Civil Liberties Education Trust held a LFO **Community Leadership in Justice Fellowship** at the University of Windsor's Faculty of Education in 2011. She helped prepare teachers to foster critical thinking on rights and responsibilities among even their youngest students. She shared insights through articles published in the Windsor Star and elsewhere during her fellowship, excerpts from which appear below.

"We know that breaking rules is one of the inevitabilities of childhood, but learning how to establish and maintain good relationships is one of its joys. And those responsible relationships are one of the expectations we have of people in well-functioning democracies."

"We want our children to think critically and to consider the needs and rights of people who may differ from them. Children who learn more than just a rule will understand they have a responsibility to others. Thinking about peanut butter [bans at schools] can help them practice the habits of democracy."

"We must invite disagreement, but also acknowledge that all points of view are not equally valid or justifiable. But if we find everyone to be in agreement, if we quickly find a consensus, we should acknowledge that someone must be missing. Whose voice is not being heard? "

"What risks do teachers take when they engage young students in this kind of discussion? Could we be training the next generation of protesters? Maybe. But if we don't engage students in considering their rights and responsibilities, where will our next world leaders come from?"

ENRICHING LEGAL EDUCATION

The LFO provides each of Ontario's seven law schools with a comprehensive regular grant which is used for unique educational enrichment for students, to forge stronger connections between law schools and their communities, and to instill a lifelong commitment to serving the public good. Law schools are also eligible for project funding from the LFO.

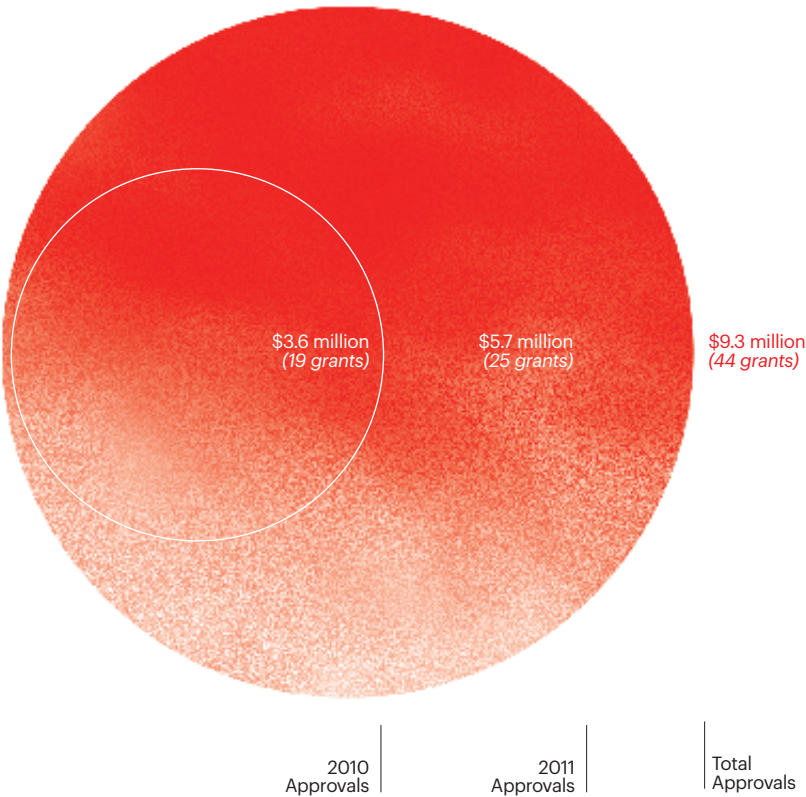
The Centre for Law in the Contemporary Workplace at Queen's University is an extremely successful example of a project that was seed funded by the LFO. It aims to advance justice by educating the next generation of labour and employment lawyers and scholars, and by being at the forefront of research into the rapidly shifting challenges in this field of law. The Centre hosts Senior Fellow Elizabeth Shilton, whose postdoctoral work in gender and pension reform will contribute to the CLCW research program.

LFO support enabled Queen's to earn a \$250,000 pledge from Gowling Lafleur Henderson to continue the work of the Centre. "None of this would have been possible without the generous seed funding from the LFO," said Dean Bill Flanagan.



THE ACCESS TO JUSTICE FUND (ATJF) WAS CREATED BY THE LFO TO RECEIVE *CY-PRÈS* AWARDS TO SUPPORT ACCESS-TO-JUSTICE INITIATIVES ACROSS CANADA. A NATIONAL CONSULTATION GROUP PROVIDES INPUT ON THE MANAGEMENT OF THE FUND. CURRENT GUIDELINES DIRECT SUPPORT PRIMARILY TO PROJECTS RELATING TO ONE OR MORE OF FIVE THEMES.

GRANT APPROVALS



ADDRESSING ALL ATJF THEMES (CUMULATIVE GRANTS, 2010 AND 2011)



Total exceeds 44 because grants commonly address multiple themes.

DISTRIBUTED ACROSS CANADA (CUMULATIVE GRANTS, 2010 AND 2011)

British Columbia	6
Prairies	3
Ontario	19
Quebec	2
Atlantic	3
National / multi-jurisdictions	11
Total grants	44

Multiple Connecting Articling Fellowship grants in Ontario (shown separately in the list on page 13) are treated as a single grant in each of 2010 and 2011 for the purposes of the breakdowns above.

ADDITIONAL CY-PRÈS REVENUES

Skopit v. BMO Nesbitt Burns Inc., 2010
ONSC 6039

\$1,469,930

Smith Estate v. National Money Mart, 2010
ONSC 1334 (CanLII)

\$31,680

Wein v. Rogers Cable Communications Inc., 2011
ONSC 7290 (CanLII)

\$100,000

IMPROVING ACCESS ON A NATIONAL SCALE

The ATJF was established with \$14.6 million provided by a *cy-près* order made upon the settlement of a consumer rights-related class action*. LFO publicized the ATJF widely when it launched in the spring of 2010. The response from non-profit applicants was very strong – as was the quality and diversity of the proposals – and the initial call for applications therefore closed at the end of February 2011.

The LFO applied its well-established assessment and grant-making process to the operation of this fund, allocating resources in a timely and efficient way across Canada. About a quarter of all grants approved as of the end of 2011 are being implemented in more than one province. This positions the ATJF to help broadly leverage expertise in areas such as Aboriginal rights, and to address legal issues that are inherently pan-Canadian, such as those resulting from recent amendments to immigration laws.

The selection of high-impact projects for support continued throughout 2011, and remained underway in 2012. Final allocation of some funds will extend over a longer period, in order to support subsequent phases of long-term projects.

This includes the Connecting Project in Ontario, which focuses on the legal needs of linguistic minorities and residents of rural and remote areas. ATJF support enabled the significant further development of this program in 2011, including initiatives to improve the availability of legal interpretation services for people who are deaf.

Funding allocations to-date have been largely guided by criteria established in connection with the *Cassano cy-près* award, including the selection of five themes. The ATJF is, however, a permanent and flexible funding vehicle, and has received \$1.6 million in additional *cy-près* awards since it was established. It is implementing a court order to direct *cy-près* funds to produce a book on the history of the Ontario Court of Appeal and research on that book is now underway. It is available to receive future class action proceeds consistent with any court-ordered conditions that may apply, including geographical scope.

Cy-près awards are made to meritorious organizations when class actions are settled or decided, and when there are funds that can't practically be distributed to class members. *Cassano* was the first time such funds were directed to a Canadian law foundation.

Contact: Tanya Lee
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* *Cassano v. Toronto Dominion Bank*, 2010 ONSC 35732 (CanLII)



REGULAR GRANTS

Association des juristes d'expression française de l'Ontario	Law Day 2012	\$13,000
	Concentration en justice!	\$87,948
Association in Defence of the Wrongly Convicted	Program Activities 2012	\$230,000
Association of Community Legal Clinics of Ontario	Community Clinic System Strategic Planning Initiative - Phase I	\$14,886
	Community Clinic System Strategic Planning Initiative - Phase II	\$78,590
Assumption University	The Underground Railroad Seminar	\$15,000
Black Law Students Association of Canada	Annual Conference and Related Initiatives	\$30,735
Canadian Centre for International Justice	International Justice Through Social Entrepreneurship, Phase II	\$15,000
Canadian Civil Liberties Education Trust	Program Activities 2011-13	\$221,100
Canadian Internet Policy and Public Interest Clinic	Boot-strapping Creative Commons Canada	\$15,000
CARFAC (Canadian Artists' Representation/le Front des artistes canadiens)	National Lawyers for the Arts Conference	\$10,000
Centre for Equality Rights in Accommodation	Youth4Housing4Youth	\$15,000
Chief Justice of Ontario's Advisory Committee on Professionalism	The Chief Justice of Ontario Fellowships in Legal Ethics and Professionalism	\$20,000
Community and Legal Aid Services Programme	Colloquium on Clinical Education and Social Justice	\$10,000
Community Information Fairview	Law Student Training	\$10,000
Community Legal Education Ontario	CLEO Centre for Research	\$152,000
	CLEONet Program Activities 2010-2013	\$140,000
Community Living Ontario	Regulatory Tribunal Support and Information Project	\$80,000
Defence Counsel Association of Ottawa	Enhancing Continuing Legal Education for Junior Members of the Criminal Defence Bar in Eastern and Northern Ontario	\$35,000
	DCAO/CCLA Annual Criminal Law Conference	\$ 5,000
Drug Awareness Committee of Thunder Bay	Restorative Practice in Schools	\$14,820
FCJ Refugee Centre	Immigration and Refugee Mentoring Initiative	\$100,000
Federation of Asian Canadian Lawyers	Bridge the Gap	\$32,000
Humber College Institute of Technology and Advancing Learning, Library	Ontario College Libraries: Proposal to Acquire QuickLaw for College Libraries with LSUC Accredited Paralegal Programs	\$41,960
Justice for Children and Youth	Street Youth Legal Services	\$52,500
Law Commission of Ontario	Program Activities	\$485,000
Law in Action Within Schools	Program Activities 2012-13	\$100,000
	Summer Job Program 2012	\$14,952

Law School Annual Comprehensive Grants	Osgoode Hall Law School	\$400,000
	Queen's University, Faculty of Law	\$332,000
	University of Ottawa, Faculty of Law, Civil Law Section	\$200,000
	University of Ottawa, Faculty of Law, Common Law Section	\$400,000
	University of Toronto, Faculty of Law	\$332,000
	University of Western Ontario, Faculty of Law	\$332,000
	University of Windsor, Faculty of Law	\$332,000
LibraryCo Inc.	Electronic Legal Resources Initiative	\$722,500
Lutherwood	Waterloo Region Mental Health Youth Court Worker	\$62,217
Metropolitan Action Committee on Violence Against Women and Children	Program Activities 2011-12	\$329,290
Native Law Centre	Support of Native Law Centre's Mandate	\$20,000
Ontario Conference of Judges	From Magistrates to Justices: A History of the Ontario Court of Justice at Windsor since 1858	\$15,000
Ontario Crown Attorneys' Association	Crown Summer School Appellate Advocacy Course	\$ 9,825
Ontario Justice Education Network	Program Activities 2011-12	\$820,000
	OJEN/LFO Mock Trial Fund	\$15,000
	Law Day 2012	\$13,400
	International Justice Education for High Schools - BC and Ontario (joint project with International Women's Rights Project)	\$15,000
	Fundraising, Professional Development, and Facilities Consultant	\$33,000
	OJEN-LAWS Justice Education Symposium Travel Subsidies	\$ 3,390
Ontario Non-Profit Network	Coordination Central: Navigation Assistance Through the Changing Legislative and Regulatory Landscape in Ontario for Ontario Charities and Non-profits	\$40,000
Planned Lifetime Networks (Waterloo-Wellington-Oxford)	Future Planning for Families Educational Project 2012	\$ 8,350
Pro Bono Law Ontario	Document Management System and Server Upgrade	\$86,480
	Program Activities 2012	\$800,000
Pro Bono Students Canada	Program Activities 2011-12	\$540,277
	Fundraising Case for Support	\$ 4,961
Queen's University, Faculty of Law	The Elder Law Clinic	\$48,000
	The Charter and CEDAW in the 21st Century: Taking Stock and Moving Forward (workshop/symposium)	\$15,000
Reach Canada	The Evolution of Disability Rights: A Retrospective and Perspectives for the Future (conference)	\$12,500
South Asian Women's Centre	Connecting with Communities	\$14,000
Teen Legal Helpline	Teen Legal Helpline	\$15,000
The Foundation for Legal Research	Legal Research and Writing	\$15,000
The Law Society of Upper Canada	Paralegal Education and Educational Access to the 2012 Licensing Process	\$72,500
	Legal Education Development and Educational Access to the 2012 Lawyer Licensing Process	\$744,000

The Osgoode Society for Canadian Legal History	Special Publishing Projects, including Case Study Volumes and McMurtry Memoirs	\$15,000
	Program Activities 2012	\$195,700
	History of Canadian Law	\$10,000
	G. Arthur Martin Biography	\$10,000
University of Ottawa, Faculty of Law, Common Law Section	IUCN Academy of Environmental Law	\$80,000
	Bridges to Nunavut: Reconciling Legal Systems	\$15,000
University of Toronto, Faculty of Law	Aboriginal Youth Summer Program	\$ 7,500
University of Waterloo	Impact and Benefit Agreements as Private Environmental Governance Schemes: Assessing Legitimacy	\$15,000
University of Western Ontario, Community Legal Services	Association for Canadian Clinical Legal Education, Website and Annual Conference	\$ 8,022
York University, Centre for Feminist Research	Envisioning Global LGBT Human Rights: LGBT Asylum in Canada	\$ 7,715
Community Leadership in Justice Fellowship 2011-12		
Disability Law Intensive (Fellow: Marian McGregor)	Community & Legal Aid Services Programme	\$50,000
	Osgoode Hall Law School	\$15,000
Community Leadership in Justice Fellowship 2011-12		
Fetal Alcohol Spectrum Disorder (FASD): Prevention, Intervention and Sustainability in the Justice Services (Fellow: Sheila Burns)	Georgian College, School of Public Safety and Emergency Services	\$50,000
	Georgian College, School of Public Safety and Emergency Services	\$15,000
Debt Repayment Assistance Program 2011	Osgoode Hall Law School	\$30,000
	Queen's University, Faculty of Law	\$30,000
	University of Ottawa, Faculty of Law, Common Law Section	\$30,000
	University of Toronto, Faculty of Law	\$30,000
	University of Western Ontario, Faculty of Law	\$30,000
	University of Windsor, Faculty of Law	\$30,000
Public Interest Articling Fellowships 2012-13	Amnesty International Canada	\$69,500
	Association in Defence of the Wrongly Convicted	\$69,500
	Barbra Schlifer Commemorative Clinic	\$69,500
	Canadian Civil Liberties Association	\$69,500
	Canadian Internet Policy and Public Interest Clinic	\$69,500
	Ecojustice Canada	\$69,500
	Public Interest Advocacy Centre	\$69,500
Roy and Ria McMurtry Endowment 2011-12	Second Chance Scholarship Foundation Inc.	\$ 5,000
	Osgoode Hall Law School	\$ 5,000
Total Grants		\$10,012,618

ACCESS TO JUSTICE FUND GRANTS

Barbra Schlifer Commemorative Clinic	Training for Deaf and ASL Interpreters to Work with Women Victims of Domestic Violence	\$98,780
British Columbia Coalition of People with Disabilities	Canada Pension Plan Disability Advocates Online Training Course and CPP-D Review Tribunal Self-Help Manual	\$62,043
Canadian Hearing Society	Increasing Access to Legal Services for Ontario's Deaf Low-Income Communities (Connecting Legal Interpretation Network)	\$256,667
Community Law School (Sarnia-Lambton) Inc.	Consumer Protection Education for Rural Ontario	\$100,368
Courthouse Libraries B.C.	Just a Click Away, Phase 2: Supporting a Culture of Sharing with Online Public Legal Education and Information	\$62,040
Ending Violence Association Of British Columbia	Right To Be Safe: Empowering Aboriginal Communities, Fostering Relations	\$209,770
Indigenous Bar Association	Accessing Justice and Reconciliation: Integrating Indigenous Oral History and Legal Traditions into Addressing the History and Legacy of Indian Residential Schools in Canada	\$547,014
Justice Education Society of B.C.	B.C. Virtual Self-Help Information Service	\$298,950
Legal Help Centre of Winnipeg Inc.	Legal Help Centre of Winnipeg	\$300,000
Legal Information Society of Nova Scotia	Piloting a Pro Bono Legal Services Model for Nova Scotia	\$200,939
Legal Resource Centre of Alberta Ltd.	Alberta Legal Information Portal	\$126,000
Multilingual Orientation Services Association for Immigrant Communities	Legal Education and Preventing Violence	\$148,560
Native Counselling Services of Alberta	Domestic Violence in Aboriginal Communities	\$226,016
Native Law Centre	Program of Legal Studies for Native People	\$314,000
People's Law School	Justice Theatre Aboriginal Tours	\$210,500
Pro Bono Students Canada	PBSC Family Law Project Expansion	\$216,615
Public Legal Education and Information Service of New Brunswick	Navigating the Family Justice System	\$175,000
Public Legal Education Association of Saskatchewan	Self-Help Family Law Website	\$262,321
South Fraser Women's Services Society	South Asian Legal Educator	\$177,000
The Osgoode Society for Canadian Legal History	History of the Ontario Court of Appeal	\$432,000
The University of British Columbia, Faculty of Law	Innocence Project	\$155,000
University of Ottawa	The Refugee Assistance Project	\$350,060
Workers' Action Centre	Reaching Out: Training on Employment Standards and Human Rights (Connecting Communities Consortium)	\$149,238
YWCA Canada	Building Service Capacity: Supporting Access to Justice for Aboriginal Women Dealing with Violence	\$462,873
Connecting Articling Fellowships 2013-2014	Community Advocacy & Legal Centre	\$49,085
	Community Legal Clinic - Simcoe, Haliburton, Kawartha Lakes	\$49,085
	Keewatinok Native Legal Services	\$49,085
	Metro Toronto Chinese and Southeast Asian Legal Clinic	\$49,085
Total Grants		\$5,738,095

THE CLASS PROCEEDINGS FUND (CPF) WAS CREATED IN 1992 AND RECEIVED A \$500,000 ENDOWMENT FROM THE LAW FOUNDATION OF ONTARIO (LFO) IN 1993. IT IS ADMINISTERED BY THE LFO, AND OPERATES UNDER LEGISLATIVE GUIDELINES. DECISIONS ON WHICH CLASS ACTIONS TO FUND ARE MADE BY THE CLASS PROCEEDINGS COMMITTEE, AN INDEPENDENT BODY APPOINTED BY THE LAW FOUNDATION AND THE ATTORNEY GENERAL.



LEVELING THE PLAYING FIELD

The CPF funds approved disbursements and indemnifies plaintiffs against costs awards in funded cases.

APPLICATIONS FOR SUPPORT ARE ASSESSED BASED ON THE:

- strength of the case
- public interest engaged by the case
- plaintiff's fund-raising efforts
- likelihood of certification
- availability of funds at the time of the application
- presence of other relevant case-specific factors.

DURING 2011:

15 new
funding applications
were approved

9 funded cases
were certified as
class actions

\$2.1 million was
provided to cover
disbursements

\$2.2 million was
provided in plaintiff
indemnification

\$3.1 million in levies
on settlements and
awards was received

Contact: Gina Papageorgiou
Counsel, Class Proceedings Committee
gpapageorgiou@lawfoundation.on.ca
(416) 595-1425 x 307

MESSAGE FROM THE CHAIR

Trends we have noticed in the last few years continued in 2011. We are receiving more applications for funding annually. In 2011 we received a record 22 such applications, 15 of which were approved. We believe this is likely a reflection of increasing cost awards as well as of our ongoing outreach efforts.

In addition, many of our funded cases continue to mature and we see a trend of more and more cases proceeding to trial. These cases require significant additional disbursement funding, and also create significant cost exposure for the CPF.

Recent events illustrate the inherent unpredictability and risk involved in funding class actions. In 2011 the Court of Appeal overturned a trial judgment that awarded damages to the plaintiffs in a funded action. As a result, instead of receiving a levy in the millions, the defendants are claiming costs in the millions. The result has not yet been determined.

Notwithstanding these risks, we believe that the CPF is a critical component of the class action landscape in Ontario and that its importance is increasing. The fund continues to support many cases which might not otherwise proceed, as well as cases involving important public interest and novel issues. The committee continues to explore whether and how the current system can be improved given its important mandate.

We remain committed to assessing applications in an efficient, rigorous and timely way, while exercising the sound stewardship that will assure the continued sustainability of the CPF.



Valerie A. Edwards

Chair, Class Proceedings Committee

STATEMENT OF FINANCIAL POSITION

	For period from Jan. 1, 2011 to Dec. 31, 2011	For period from 1993 to Dec. 31, 2011
	\$	\$
Opening balance	10,239,631	500,000
Total funding awarded	(2,122,494)	10,076,690
Funding repaid/cancelled	941,710	1,747,798
Administration costs/expenses	(400,360)	(1,817,232)
Interest received	204,218	1,669,162
10% levies received	3,108,646	22,329,581
Costs awards in favour of defendants	(2,202,060)	(4,583,328)
Balance as at Dec. 31, 2011	9,769,291	9,769,291

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

1. NUMBER OF NEW APPLICATIONS, BY STAGE IN PROCEEDING AT THE TIME OF APPLICATION.

Stage in the Proceeding	Number of New Applications 2011	Number of New Applications 2010
Pre Certification	21	9
Appeal re: Certification	-	-
Discovery	-	-
Determination of Common Issues	1	-
Appeal re: Common Issues	-	-
Post Common Issue Stage	-	-
Total	22	9

2. NEW APPLICATIONS GRANTED AND REFUSED, BY STAGE IN THE PROCEEDING, AT THE TIME OF APPLICATION.

Stage in the Proceeding	Granted	Refused	Pending*/Stayed, etc	Total
2011				
Pre Certification	14	6	1	21
Appeal re: Certification	-	-	-	-
Discovery	-	-	-	-
Determination of Common Issues	1	-	-	1
Appeal re: Common Issues	-	-	-	-
Other	-	-	-	-
Total	15	6	1	22

2010				
Pre Certification	7	2	-	9
Appeal re: Certification	-	-	-	-
Discovery	-	-	-	-
Determination of Common Issues	-	-	-	-
Appeal re: Common Issues	-	-	-	-
Other	-	-	-	-
Total	7	2	-	9

* Carried forward to the next year.

3. In 2011 financial support was awarded for 15 new cases under section 59.3(1) of the Act¹ and further financial support was awarded for 14 cases which had previously been approved, as a result of supplementary funding applications under section 59.3(5) of the Act. In 2010 financial support was awarded for seven new cases under section 59.3(1) of the Act and further financial support was awarded for 13 cases which had previously been approved, as a result of supplementary funding applications under section 59.3(5) of the Act.
4. Total awards, by disbursement type are \$2,122,494.

Type of Disbursement	Total Amount Awarded 2011
Administrative Expenses	\$617,511
Travel	\$43,394
Examiners' Charges	\$68,405
Experts' Fees	\$1,095,789
Notice to Class	\$214,796
Other	\$82,598
Total	\$2,122,494

Under regulation 771/92, this section includes only amounts awarded during 2011. Total amounts paid out by the CPF during 2011 may vary as amounts awarded are reimbursed to applicants on an ongoing basis after funded disbursements have been incurred and paid by the applicant.

5. The total amount of money paid from the CPF to applicants under section 59.3 of the Act: 2011, \$1,914,374; 2010, \$1,164,421. At December 31, 2011, the balance of all awards outstanding which had not yet been paid to applicants was \$2,046,658.
6. In 2011, nine funded proceedings were certified. In 2010, eight funded proceedings were certified.
7. In 2011, four applicants who had received financial support settled their proceedings such that the classes involved in these proceedings received or will receive a monetary payment. In 2010, four applicants who had received financial support settled their proceedings such that the classes involved in these proceedings received or will receive a monetary payment.
8. In 2011, 12 defendants made applications to the CPF for payment of costs awards made in their favour pursuant to section 59.4 of the Act; 10 such applications were received in 2010. This results from the indemnification of plaintiffs against cost awards.
9. In 2011, \$2,202,060 was paid from the CPF to defendants under section 59.4 of the Act. In 2010, \$1,174,003 was paid to defendants under section 59.4 of the Act. This results from the indemnification of plaintiffs against cost awards.

¹ References are to the Law Society Amendment Act, 1992

10. Proceedings for which plaintiff was awarded financial support under section 59.3 of the Act (these include both newly approved cases and previously approved cases for which supplementary funding was awarded during 2011).

	Administrative Expenses	Travel Expenses	Examiners' Charges	Experts' Fees	Notice to Class	Other	Total
2011	\$	\$	\$	\$	\$	\$	\$
Case A	100,538	6,780	-	16,667	79,100	-	203,085
Case B	10	-	-	-	-	-	10
Case C	2,672	-	-	400,169	-	-	402,841
Case D	-	-	-	21,669	-	-	21,669
Case E	-	-	2,500	10,000	50,000	75,000	137,500
Case F	25,500	20,000	20,000	85,000	-	5,000	155,500
Case G	25,538	-	-	22,600	-	-	48,138
Case H	25,000	-	5,000	-	-	-	30,000
Case I	75,000	-	-	16,667	-	-	91,667
Case J	75,000	-	-	16,667	-	-	91,667
Case K	30,000	-	-	-	-	-	30,000
Case L	-	-	-	34,811	-	-	34,811
Case M	34,352	-	9,040	62,150	-	-	105,542
Case N	-	-	-	69,691	-	-	69,691
Case O	16,668	3,616	9,605	84,750	-	1,243	115,882
Case P	16,000	10,000	5,000	-	85,000	-	116,000
Case Q	2,740	-	-	-	-	-	2,740
Case R	-	-	-	33,900	-	-	33,900
Case S	2,260	-	2,260	-	339	282	5,141
Case T	5,540	135	-	-	357	1,073	7,105
Case U	10	-	-	-	-	-	10
Case V	17,687	863	-	18,049	-	-	36,599
Case W	-	-	-	150,000	-	-	150,000
Case X	20,000	-	-	-	-	-	20,000
Case Y	35,000	-	-	-	-	-	35,000
Case Z	30,000	2,000	15,000	53,000	-	-	100,000
Case AA	2,996	-	-	-	-	-	2,996
Case AB	37,500	-	-	-	-	-	37,500
Case AC	37,500	-	-	-	-	-	37,500
All cases	617,511	43,394	68,405	1,095,790	214,796	82,598	2,122,494
2010							
All cases	346,505	151,361	99,703	945,435	376,295	100,197	2,024,361*

* 2010 total includes GST of \$4,865.

The subject matter of these cases concerned allegations of:

Case A	Various breaches of duty related to government run facility for disabled minors	Case O	Various breaches of duty relating to shortfall on pension plan windup
Case B	Various breaches of consumer protection legislation resulting from delivery charges	Case P	Various breaches of duty related to government run facility for disabled minors
Case C	Various breaches of duty to participating policy holders as a result of demutualization	Case Q	Environmental damage and trespass caused by water erosion
Case D	Negligent construction and sale of solariums	Case R	Various breaches of duty related to mismanagement of investment funds
Case E	Product liability relating to drug prescribed for Parkinson's disease	Case S	Misclassification of employees resulting in unpaid overtime
Case F	Misclassification of employees resulting in unpaid overtime	Case T	Breach of trust relating to pension plan windup
Case G	Misclassification of employees resulting in unpaid overtime	Case U	Various breaches of duty and breach of <i>Arthur Wishart Act</i> with respect to franchise of snack food vending machine
Case H	Various breaches relating to employer's reduction of post-retirement benefit packages	Case V	Product liability with respect to washing machines
Case I	Various breaches of duty related to government run facility for disabled minors	Case W	Solicitors negligence and various breaches of duty relating to tax shelter
Case J	Various breaches of duty related to government run facility for disabled minors	Case X	Negligence and breach of duty relating to jaw implants
Case K	Various breaches of duty related to unpaid overtime	Case Y	Misclassification of employees resulting in unpaid overtime
Case L	Product liability relating to drug prescribed for smoking cessation	Case Z	Various breaches of duty relating to privately run facility for minors with perceived and actual learning disabilities
Case M	Negligence relating to solicitor's advice on tax shelter	Case AA	Environmental damage and nuisance relating to nickel contamination
Case N	Various breaches of duty related to unpaid overtime	Case AB	Medical negligence relating to failure to diagnose tuberculosis
		Case AC	Medical negligence relating to failure to diagnose tuberculosis

The LFO is governed by a five-person board of trustees whose members serve voluntarily. Three trustees are appointed by the Law Society of Upper Canada (the governing body for lawyers and paralegals), and two by the Attorney General of Ontario. While independent of the Law Society and outside of government, the LFO files its annual report with the Attorney General who then tables it in the Legislative Assembly.



LFO BOARD OF TRUSTEES



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(chair)**
Partner,
Cooper, Sandler,
Shime & Bergman LLP



Carol L. Hartman
Partner,
Miller Maki LLP –
effective June 2011



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Koskie Minsky LLP



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Policy and
Adjudicative
Tribunals Division,
Ministry of the
Attorney General



Paul B. Schabas
Partner,
Blake, Cassels
& Graydon LLP



Janet Minor
General Counsel,
Constitutional Law
Branch, Ministry of
the Attorney General –
until June 2011

The Class Proceedings Committee has five members, one appointed by each of the LFO and the Attorney General of Ontario and three appointed jointly.

CLASS PROCEEDINGS COMMITTEE



**Valerie A. Edwards
(chair)**
Partner,
Torkin Manes
Cohen Arbus LLP



Wendy J. Earle
Partner,
Borden Ladner
Gervais LLP



Paul Evraire, QC
Special Counsel,
Department
of Justice



Jasminka Kalajdzic
Professor,
Faculty of Law,
University of Windsor –
effective June 2011



F. Paul Morrison
Partner,
McCarthy Tétrault LLP



Janet Minor
General Counsel,
Constitutional Law
Branch, Ministry of
the Attorney General –
until June 2011

LFO STAFF**Elizabeth Goldberg**

Chief Executive Officer

Ayumi Bailly

Director, Policy and Programs

Alida De Lorenzi

Grants Officer

Daniel Huffaker

Grants Officer

David Kinsman

Grants Officer

Tanya Lee

Director, Access to Justice Fund

Judy Mark

Director, Strategic Finance and Administration

Maricela Morales

Office Assistant

Gina Papageorgiou

Counsel, Class Proceedings Committee

Linda Patki

Legal Assistant, Class Proceedings Committee

Barbara Stewart

Executive Assistant to the CEO

Arta Tafaj

Senior Administrative Coordinator

Jennifer Torrens

Project Coordinator

Danielle Yu

Manager, Accounting and Administration

IN RECOGNITION

The effective delivery and ongoing refinement of many LFO programs is significantly enhanced by generous commitments of time and expertise on the part of individuals within the legal and broader access-to-justice communities. The people listed here served as committee members, advisors and in other valuable capacities during 2011. LFO trustees and staff extend their sincere appreciation to each of them.

David Aucoin
Gwen Boniface
Dr. Paul Cassano
Nikki Gershbain
Justice Eileen Gillese
Justice Stephen Goudge
Navneet Johal

Justice Joan Lax
Alain Letourneau
Chantal Morton
Kimberly Murray
Paul Pape
Wayne Robertson
Gail Sinclair

LEADING ADVOCATE AND EDUCATOR RECEIVES GUTHRIE AWARD

The LFO was pleased to select one of Ontario's leading advocates for legal aid services and accessible justice as the recipient of its 2011 Guthrie Award. Judith McCormack of the University of Toronto has served as executive director of the Downtown Legal Services clinic while also holding an adjunct professorship at the Faculty of Law. She more recently played a leadership role in the faculty's Middle Income Access to Civil Justice initiative. She has also previously worked in private practice, and is credited with achieving procedural improvements and expanded use of mediation during her time as Chair of the Ontario Labour Relations Board.

Guthrie Awards acknowledge outstanding public service on the part of an individual or organization, in the form of contributions to access to justice and excellence in the legal profession.

Deloitte.

To The Trustees of The Law Foundation of Ontario

We have audited the accompanying financial statements of The Law Foundation of Ontario, which comprise the statement of financial position as at December 31, 2011 and the statements of revenue, expenses and grants, changes in fund balances, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Law Foundation of Ontario as at December 31, 2011 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
May 24, 2012

STATEMENT OF FINANCIAL POSITION

As at December 31, 2011

	2011	2010
	\$	\$
Assets		
Current assets		
Cash	490,171	1,387,021
Externally restricted cash and short-term investments for Class Proceedings Fund (Note 3)	10,807,365	12,861,931
Short-term investments (Note 5)	32,082,341	36,145,726
Prepaid expenses	17,334	34,738
Other receivables	3,027,030	2,392,794
Interest receivable	546,640	785,837
	46,970,881	53,608,047
Long-term investments (Note 5)	11,250,121	11,686,167
Externally restricted cash and investments for Roy & Ria McMurtry Endowment Fund (Note 4)	113,926	124,706
Capital assets (Note 6)	320,578	435,989
	58,655,506	65,854,909
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	775,627	1,037,151
Due to Legal Aid Ontario (Note 7)	212,480	854,420
Grants payable (Note 8)	13,939,377	15,946,296
	14,927,484	17,837,867
Long-term grants payable (Note 8)	7,116,485	4,239,684
	22,043,969	22,077,551
Fund balances		
Internally restricted		
Grant Stabilization Fund (Note 9)	16,000,000	16,000,000
Access to Justice Fund (Note 10)	6,794,120	10,906,040
Others (Note 11)	757,450	2,533,149
	23,551,570	29,439,189
Externally restricted		
Class Proceedings Fund (Note 12)	9,769,291	10,239,631
Roy and Ria McMurtry Endowment Fund (Note 13)	107,792	108,573
	9,877,083	10,348,204
Unrestricted – General Fund	3,182,884	3,989,965
	36,611,537	43,777,358
	58,655,506	65,854,909

STATEMENT OF REVENUE, EXPENSES AND GRANTS

Year ended December 31, 2011

	Internally Restricted Funds				Externally Restricted Funds		
	Unrestricted General	Others (Note 11)	Grant Stabilization (Note 9)	Access to Justice (Note 10)	Class Proceedings (Note 12)	Roy and Ria McMurtry Endowment (Note 13)	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Interest on lawyers' mixed trust accounts, net of service charges of \$2,238,030 (Notes 7 and 14)	26,461,078	-	-	-	-	-	26,461,078
Other investment income	856,820	-	-	222,392	204,218	2,002	1,285,432
Other income	-	-	-	1,601,610	-	-	1,601,610
Levy on awards (Note 12)	-	-	-	-	3,108,646	-	3,108,646
	27,317,898	-	-	1,824,002	3,312,864	2,002	32,456,766
Expenses							
Salaries and benefits	1,061,163	-	-	191,427	205,639	-	1,458,229
Rent and occupancy	221,447	-	-	-	10,821	-	232,268
Other administrative	195,592	674	-	15,382	35,164	-	246,812
Professional fees	238,750	-	-	9,910	148,736	-	397,396
Printing and office supplies	63,876	-	-	-	-	-	63,876
Cost awards (Note 12)	-	-	-	-	2,202,060	-	2,202,060
Amortization	118,329	-	-	-	-	-	118,329
	1,899,157	674	-	216,719	2,602,420	-	4,718,970
Excess of revenue over expenses before the undernoted	25,418,741	(674)	-	1,607,283	710,444	2,002	27,737,796
Allocation to Legal Aid Ontario (Note 7)	18,420,935	-	-	-	-	-	18,420,935
Grants authorized, net of reversal of grants authorized in prior years and transfer to unrestricted General Funds (Note 8)	9,099,282	122,077	-	5,719,203	1,180,784	10,000	16,131,346
	27,520,217	122,077	-	5,719,203	1,180,784	10,000	34,552,281
(Deficiency) excess of revenue over expenses and grants for the year	(2,101,476)	(122,751)	-	(4,111,920)	(470,340)	(7,998)	(6,814,485)

STATEMENT OF REVENUE, EXPENSES AND GRANTS

Year ended December 31, 2010

	Internally Restricted Funds				Externally Restricted Funds		
	Unrestricted General	Others (Note 11)	Grant Stabilization (Note 9)	Access to Justice (Note 10)	Class Proceedings (Note 12)	Roy and Ria McMurtry Endowment (Note 13)	Total
	\$	\$	\$	\$	\$	\$	\$
Revenue							
Interest on lawyers' mixed trust accounts, net of service charges of \$1,900,509 (Notes 7 and 14)	13,774,629	-	-	-	-	-	13,774,629
Other investment income	737,359	-	-	197,699	110,328	4,524	1,049,910
Levy on awards (Note 12)	-	-	-	-	3,932,787	-	3,932,787
	14,511,988	-	-	197,699	4,043,115	4,524	18,757,326
Expenses							
Salaries and benefits	1,260,521	-	-	169,576	152,914	-	1,583,011
Rent and occupancy	211,170	-	-	-	9,411	-	220,581
Other administrative	334,394	1,423	-	38,905	18,571	-	393,293
Professional fees	248,005	-	-	39,493	201,521	-	489,019
Printing and office supplies	55,731	-	-	-	-	-	55,731
Cost awards (Note 12)	-	-	-	-	1,174,003	-	1,174,003
Amortization	135,195	-	-	-	-	-	135,195
	2,245,016	1,423	-	247,974	1,556,420	-	4,050,833
Excess of revenue over expenses before the undernoted	12,266,972	(1,423)	-	(50,275)	2,486,695	4,524	14,706,493
Allocation to Legal Aid Ontario (Note 7)	8,646,143	-	-	-	-	-	8,646,143
Grants authorized, net of reversal of grants authorized in prior years and transfer to unrestricted General Funds (Note 8)	13,334,688	63,329	-	3,639,201	1,996,540	10,000	19,043,758
	21,980,831	63,329	-	3,639,201	1,996,540	10,000	27,689,901
(Excess) deficiency of revenue over expenses and grants for the year	(9,713,859)	(64,752)	-	(3,689,476)	490,155	(5,476)	(12,983,408)

STATEMENT OF CHANGES IN FUND BALANCES

Year ended December 31, 2011

	Internally Restricted Funds				Externally Restricted Funds		
	Unrestricted General	Others (Note 11)	Grant Stabilization (Note 9)	Access to Justice (Note 10)	Class Proceedings (Note 12)	Roy and Ria McMurtry Endowment (Note 13)	Total
	\$	\$	\$	\$	\$	\$	\$
Fund balances, beginning of year	3,989,965	2,533,149	16,000,000	10,906,040	10,239,631	108,573	43,777,358
Excess (deficiency) of revenue over expense, and grants for the year	(2,101,476)	(122,751)	-	(4,111,920)	(470,340)	(7,998)	(6,814,485)
Change in unrealized (loss) gain on available for sale financial assets	(358,553)	-	-	-	-	7,217	(351,336)
Transfers (Note 11)	1,652,948	(1,652,948)	-	-	-	-	-
Fund balances, end of year	3,182,884	757,450	16,000,000	6,794,120	9,769,291	107,792	36,611,537

The Unrestricted General Fund Balance includes \$320,578 (2010 – \$435,989) that is invested in Capital Assets.

STATEMENT OF CHANGES IN FUND BALANCES

Year ended December 31, 2010

	Internally Restricted Funds				Externally Restricted Funds		
	Unrestricted General	Others (Note 11)	Grant Stabilization (Note 9)	Access to Justice (Note 10)	Class Proceedings (Note 12)	Roy and Ria McMurtry Endowment (Note 13)	Total
	\$	\$	\$	\$	\$	\$	\$
Fund balances, beginning of year	8,858,265	7,261,158	16,000,000	14,595,516	9,749,476	108,524	56,572,939
Excess (deficiency) of revenue over expense, and grants for the year	(9,713,859)	(64,752)	-	(3,689,476)	490,155	(5,476)	(12,983,408)
Change in unrealized gain on available for sale financial assets	182,302	-	-	-	-	5,525	187,827
Transfers (Note 11)	4,663,257	(4,663,257)	-	-	-	-	-
Fund balances, end of year	3,989,965	2,533,149	16,000,000	10,906,040	10,239,631	108,573	43,777,358

STATEMENT OF CASH FLOWS

Year ended December 31, 2011

	2011	2010
	\$	\$
Operating activities		
Deficiency of revenue over expenses and grants for the year	(6,814,485)	(12,983,408)
Item not affecting cash		
Amortization	118,329	135,195
Realized gain on sale of investments	(35,834)	-
	(6,731,990)	(12,848,213)
Changes in non-cash operating items		
Prepaid expenses	17,404	(18,107)
Other receivables	(634,236)	(2,392,794)
Interest receivable	239,197	(479,213)
Due to Legal Aid Ontario	(641,940)	671,797
Accounts payable and accrued liabilities	(261,524)	527,701
Grants payable	869,882	204,065
	(7,143,207)	(14,334,764)
Investing activities		
Decrease in investments	4,183,929	15,990,682
Decrease (increase) in externally restricted cash and short-term investments for Class Proceedings Fund	2,054,566	(1,113,903)
Decrease (increase) in externally restricted cash and investment for Roy & Ria McMurtry Endowment Fund	10,780	(9,228)
Purchase of capital assets	(2,918)	(26,236)
	6,246,357	14,841,315
Net (decrease) increase in cash	(896,850)	506,551
Cash, beginning of year	1,387,021	880,470
Cash, end of year	490,171	1,387,021

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

1. PURPOSE OF THE ORGANIZATION

The Law Foundation of Ontario (the "Foundation") was established in 1974, 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 financial statements have been prepared in accordance with Canadian generally accepted accounting policies. The significant accounting policies are summarized below:

Revenue recognition The Foundation follows the restricted method of accounting for revenue. Revenue is recognized when received or receivable in the respective fund if the amount to be received can be reasonably estimated.

Fund balances The Grant Stabilization (formerly, The Reserve) Fund, Future Commitment Fund, Access to Justice Fund and Rejuvenation Fund are internally restricted funds (Notes 9-11). The Class Proceedings Fund and the Roy & Ria McMurtry Endowment Fund are externally restricted funds (Notes 12 and 13).

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, in the Unrestricted General Fund.

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

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.

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

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 (the Foundation relies on bank statements to record the interest revenue earned on lawyers' mixed trust accounts). Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include investments, interest earned on lawyers' mixed trust accounts, and accrued liabilities.

Financial instruments The Foundation has elected the following classifications for its financial assets and liabilities:

	Classification	Measurement
Cash	Held for trading	Fair value
Interest receivable	Loans and receivables	Amortized cost
Short-term investments	Held-to-Maturity	Amortized cost
Fixed income	Held-to-Maturity	Amortized cost
Canadian equity	Available for sale	Fair value
Investments Fund		
for Class Proceedings	Held-to-Maturity	Amortized cost
Investments for Roy & Ria		
McMurtry Endowment Fund	Available for sale	Fair value
Accounts payable		
and accrued liabilities	Other liabilities	Amortized cost
Due to Legal Aid Ontario	Other liabilities	Amortized cost
Grants payable	Other liabilities	Amortized cost

Held-for-trading Held for trading instruments are accounted for at fair value, with changes in their fair value recognized in the Statement of revenue, expenses and grants.

Loans and receivables and other liabilities This category includes all loans and receivables, except debt securities, and other liabilities. They are measured at amortized cost using the effective interest method and the gain or loss is recognized in the Statement of revenue, expenses and grants. Amortized cost approximates fair value.

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

Available-for-sale Financial assets classified as available-for-sale are carried at fair value (which represents the bid price when financial assets are quoted in active markets). The gain or loss originating from subsequent measurement is recognized in the Statement of changes in fund balances and is transferred to excess (deficiency) of revenue over expenses and grants when the asset is sold. Any unrealized gain or loss on foreign exchange related to available-for-sale financial instruments is also recognized in the Statement of changes in fund balances and transferred to net income or loss when the asset is sold. Impairment write-downs relating to available-for-sale financial instruments are immediately recognized in excess (deficiency) of revenue over expenses and grants.

As allowed under Section 3855 "Financial Instruments - Recognition and Measurement", the Foundation has elected not to account for non-financial contracts as derivatives, and not to account for embedded derivatives in non-financial contracts, leases and insurance contracts as embedded derivatives.

The Foundation has elected to follow the disclosure requirements of Section 3861 "Financial Instruments - Disclosure and Presentation" of the CICA Handbook.

Investments Short-term investments are carried at cost and are accounted for on the settlement date basis.

Transaction costs Transaction costs for investments are expensed as they are incurred.

Foreign exchange Transactions denominated in foreign currencies are translated into Canadian dollars at the rate of exchange in effect on the dates of the transactions. The market value of foreign currency denominated assets and liabilities is translated using the year-end rates of exchange. The resulting gains and losses from changes on these rates are included in the realized gain (loss) for investments sold and in the unrealized appreciation (depreciation) of investments held at year-end.

Future accounting changes On December 9, 2010, the CICA issued accounting standards for not-for-profit organizations (Part III of the CICA Handbook - Accounting). Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations are required to adopt either Part III of the CICA Handbook - Accounting, or International Financial Reporting Standards (Part 1 of the CICA Handbook - Accounting). The Foundation has decided to adopt Part III of the CICA Handbook for the fiscal year beginning January 1, 2012.

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

	2011	2010
	\$	\$
Cash	231,365	742,119
Guaranteed Investment Certificates	10,576,000	12,119,812
	10,807,365	12,861,931

The effective yields on the Guaranteed Investment Certificates is between 1.30% and 2.14% (2010 - between 1.07% and 1.90%).

\$2,046,658 (2010 - \$2,780,247) of the above-noted balance will be used to pay grants obligations (see Note 8).

4. EXTERNALLY RESTRICTED CASH AND INVESTMENTS FOR ROY & RIA MCMURTRY ENDOWMENT FUND

Restricted cash and investments consist of cash, fixed income securities and equities. The fixed income securities are comprised of bonds and deposit notes which mature between June, 2012 and December 18, 2021 and the coupon rates range from 3.25% to 4.50%; (2010 - 3.70% to 4.69%).

	2011	2010
	\$	\$
Restricted cash	3,739	4,991
Fixed income	64,887	68,002
Canadian equities	45,300	51,713
	113,926	124,706

5. INVESTMENTS

	2011	2010
	\$	\$
Short-term, at cost	32,082,341	36,145,726
Long-term:		
Fixed income, at cost		
(fair value - \$8,399,005; 2010 - \$8,649,304)	7,934,482	8,330,056
Canadian equities, at fair value		
(cost - \$3,491,890; 2010 - \$3,173,809)	3,315,639	3,356,111
	11,250,121	11,686,167
	43,332,462	47,831,893

The Foundation's short-term investments of \$32,082,341 (2010 - \$36,145,726) comprise cash, GICs and short-term bonds. The effective yields on the GICs of \$31,381,119 (2010 - \$35,044,517) range from 1.30% to 2.32%; (2010 - 1.30% to 1.90%). Short-term bonds of \$700,000 (2010 - \$1,100,000) mature between June 15, 2012 and December 2, 2012 (2010 - between January 31 and December 1, 2011) and have a coupon rate from 4% to 4.50% (2010 - coupon rates range from 4.69% to 6.40%).

The Foundation's fixed income long-term investments include bonds of \$7,889,931; (2010 - \$8,290,247), which mature between February 13, 2013 and December 18, 2021. The coupon rates range from 2.20% to 5.10%; (2010 - 2.20% to 6.40%).

The Foundation follows 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. CAPITAL ASSETS

	2011			2010
	Cost	Accumulated Amortization	Net book Value	Net book Value
	\$	\$	\$	\$
Furniture and fixtures	252,985	170,287	82,698	103,936
Computer hardware	150,266	134,418	15,848	24,090
Computer software	186,099	167,595	18,504	60,357
Leasehold improvements	402,897	199,369	203,528	247,606
	992,247	671,669	320,578	435,989

7. DUE TO LEGAL AID ONTARIO

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

	2011	2010
	\$	\$
Interest on lawyers' mixed trust accounts		
(net of service charges \$2,238,030;		
2010 - \$2,069,234)	26,461,078	13,774,629
Unrestricted General and		
Other Funds expenses	(1,899,831)	(2,246,439)
Interest after expenses	24,561,247	11,528,190
Due to Legal Aid Ontario, beginning of year	854,420	182,623
75% allocation to Legal Aid Ontario	18,420,935	8,646,143
Paid to Legal Aid Ontario, during the year	(19,062,875)	(7,974,346)
Due to Legal Aid Ontario, end of year	212,480	854,420

8. GRANTS AUTHORIZED

Grants authorized consist of the following:

	2011					2010
	Unrestricted	Others	Access to Justice	Class Proceeding	Roy & Ria McMurtry	Total
	\$	\$	\$	\$	\$	\$
Opening	14,446,470	41,777	2,907,485	2,780,248	10,000	20,185,980
Grants authorized	9,878,177	124,441	5,738,095	2,122,494	10,000	17,873,207
Payments	(11,120,787)	(108,966)	(2,102,337)	(1,914,374)	(15,000)	(15,261,464)
Grants reversed	(778,895)	(2,364)	(18,892)	(941,710)	-	(1,741,861)
Ending Grants payable	12,424,965	54,888	6,524,351	2,046,658	5,000	21,055,862
Less: Long-term grants payable	(2,569,100)	-	(4,547,385)	-	-	(7,116,485)
Current grants payable	9,855,865	54,888	1,976,966	2,046,658	5,000	13,939,377

Details of long-term grants payable are as follows:

	Unrestricted	Access to Justice	Total
	\$	\$	\$
2013	2,364,100	2,619,910	4,984,010
2014	170,000	1,466,860	1,636,860
2015	-	216,615	216,615
2016	35,000	244,000	279,000
Total	2,569,100	4,547,385	7,116,485

9. GRANT STABILIZATION FUND

In 1981, the Trustees of the Foundation established a Reserve 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. In 2009, the Trustees of the Foundation changed the name of the fund to the "Grant Stabilization Fund". The balance of the Fund is maintained at \$16 million.

10. ACCESS TO JUSTICE FUND

In 2009, the Trustees of the Foundation established an internally restricted fund to provide grants that promote access to justice. The initial source of this fund in 2009 came from a one-time cy-près settlement in the amount of \$14,530,395 (together with interest earned thereon of \$63,735) that the Foundation received as a result of a ruling on a class action lawsuit, although the Foundation was not a party to the action. The amount was transferred from the Unrestricted General Fund to the new Access to Justice Fund. The Access to Justice Fund was established to receive cy-près settlements that are directed to the Foundation.

11. OTHER INTERNALLY RESTRICTED FUNDS

	2011			2010		
	Future Commitment Fund	Rejuvenation Fund	Total	Future Commitment Fund	Rejuvenation Fund	Total
	\$	\$	\$	\$	\$	\$
Opening balances	2,016,505	516,644	2,533,149	4,574,136	2,687,022	7,261,158
Deficiency of revenue						
over expenses for the year	-	(122,751)	(122,751)	-	(64,752)	(64,752)
Transfer to Unrestricted General Fund	(1,652,948)	-	(1,652,948)	(2,557,631)	(2,105,626)	(4,663,257)
Closing balances	363,557	393,893	757,450	2,016,505	516,644	2,533,149

(a) Future Commitment Fund

In 2004, the Trustees of the Foundation established a fund to hold funds which have been allocated from the Unrestricted General Fund to budget for funding plans extending beyond one year. Multi-year funding plans will continue to be formally approved and booked on a year-by-year basis, but the funds will come out of the Future Commitment Fund, rather than the Unrestricted General Fund. In 2011, the Board of Trustees authorized \$1,652,948 (2010 - \$2,557,631) to be transferred to the Unrestricted General Fund.

(b) Rejuvenation Fund

In 2007, the Rejuvenation Fund was established for the purpose of providing both human and organizational infrastructure support to eligible grantees for optimum performance and efficiency, and includes such activities as professional development, consulting services, technology upgrades and capital acquisitions and improvements. The initial source of this fund comes from the Unrestricted General Fund. During the year, \$Nil (2010 - \$2,105,626) was transferred to the Unrestricted General Fund.

12. 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 award grants 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 2011, the Fund recovered a previous year's disbursement award grant payment of \$41,768 (2010 - \$27,822). The Fund paid cost awards of \$2,202,060 (2010 - \$1,174,003) as a result of cost awards made against funded plaintiffs. The Fund received a levy on awards of \$3,108,646 (2010 - \$3,932,787) as a result of settlements to funded plaintiffs.

13. THE ROY & RIA MCMURTRY ENDOWMENT FUND

In 2005, The Law Foundation of Ontario established the Roy & Ria McMurtry Endowment Fund in honour of Chief Justice and Mrs. McMurtry, upon his receipt of the 2005 Law Foundation of Ontario Guthrie Award. From the interest earned on the Fund, awards will be made in support of work within the Foundation's objects, of an organization chosen by the former Chief Justice and Mrs. McMurtry. In June 2007, the Board decided that an additional annual \$5,000 scholarship will be available to a student selected from the Law School on a rotating basis.

14. INTEREST ON LAWYERS' MIXED TRUST ACCOUNTS

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

15. LEASE COMMITMENTS

The Foundation has obligations under a non-cancellable operating lease. The future minimum annual lease payments for premises (excluding occupancy costs) are as follows:

	\$
2012	76,633
2013	81,700
2014	81,700
2015	81,700
2016	54,467

16. 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, 2011 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 recorded in the year it is determined.

Indemnity has been provided to all trustees and/or officers of the Foundation for various items including, but not limited to, all costs to settle suits due to their association with the Foundation, subject to certain restrictions. The Foundation has purchased trustees' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The maximum amount of any potential future payment cannot be reasonably estimated.

17. FINANCIAL INSTRUMENTS

Fair value The carrying value of the Foundation's financial instruments approximates their fair value (except for the held to maturity investments - see Note 5) due to the immediate or short-term maturity of these instruments.

Market risk Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices (other than those arising from interest rate or foreign exchange risk) whether those changes are caused by factors specific to the specific individual investment or factors affecting all securities traded in the market. To mitigate this specific risk, the Foundation invests in a diversified portfolio of investments in accordance with the Foundation's investment policy.

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

Credit risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Foundation's investment policy defines permitted investments and provides guidelines and restrictions on acceptable investments which minimizes credit risk. The Foundation limits credit risk by investing in the debt of corporations that have a minimum credit rating of A or equivalent as rated by at least two of the three recognized bond rating agencies operating in Canada at the time of purchase.

Foreign exchange risk Foreign exchange 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 invests in non-Canadian equities and is therefore directly exposed to currency risk as the value of the equities denominated in other currencies will fluctuate due to changes in exchange rates.

Transaction costs Transaction costs for investments are expensed as they are incurred.

18. CAPITAL MANAGEMENT

As a not-for-profit entity, the Foundation's operations are reliant on revenues generated annually. The Foundation has accumulated Unrestricted Funds over its history. The Foundation also maintains fund balances which are available for the use of the Foundation at the Board's discretion, as described in Notes 9 to 11. The Externally Restricted Funds of the Foundation are described in Notes 12 and 13. The Foundation is in compliance with the restrictions imposed by the terms of these Funds.

19. COMPARATIVE AMOUNTS

(a) The 2010 amount of grants authorized, net of reversal of grants authorized in prior years, for the Other Funds, presented in the Statement of revenue, expenses and grants, included an amount of \$2,557,631 that should have been included as a net allocation to the Unrestricted General fund on the Statement of Changes in fund balances. As a result, the Other Fund amount for 2010 has been reduced, and the Unrestricted General Fund amount increased, by \$2,557,631. In addition, the net allocations amount on the 2010 Statement of Changes in Fund balances has increased by \$2,557,631.

There is no impact of the above changes on the previously reported amount for the total 2010 grants authorized, net of reversal of grants authorized in prior years, deficiency of revenue over expenses and grants for the year, and fund balances.

(b) The 2010 amounts for the Rejuvenation and Future Commitment Funds are presented in the Statement of financial position as "Other" under Internally Restricted Fund Balances, consistent with the current year's financial statement presentation. The amounts were shown separately for each Fund in the 2010 financial statements.

(c) Fixed income investments in the amount of \$1,100,000 were reclassified from long to short-term investments to conform with the current year's presentation.



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

EXTRAORDINARY REMEDIES

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