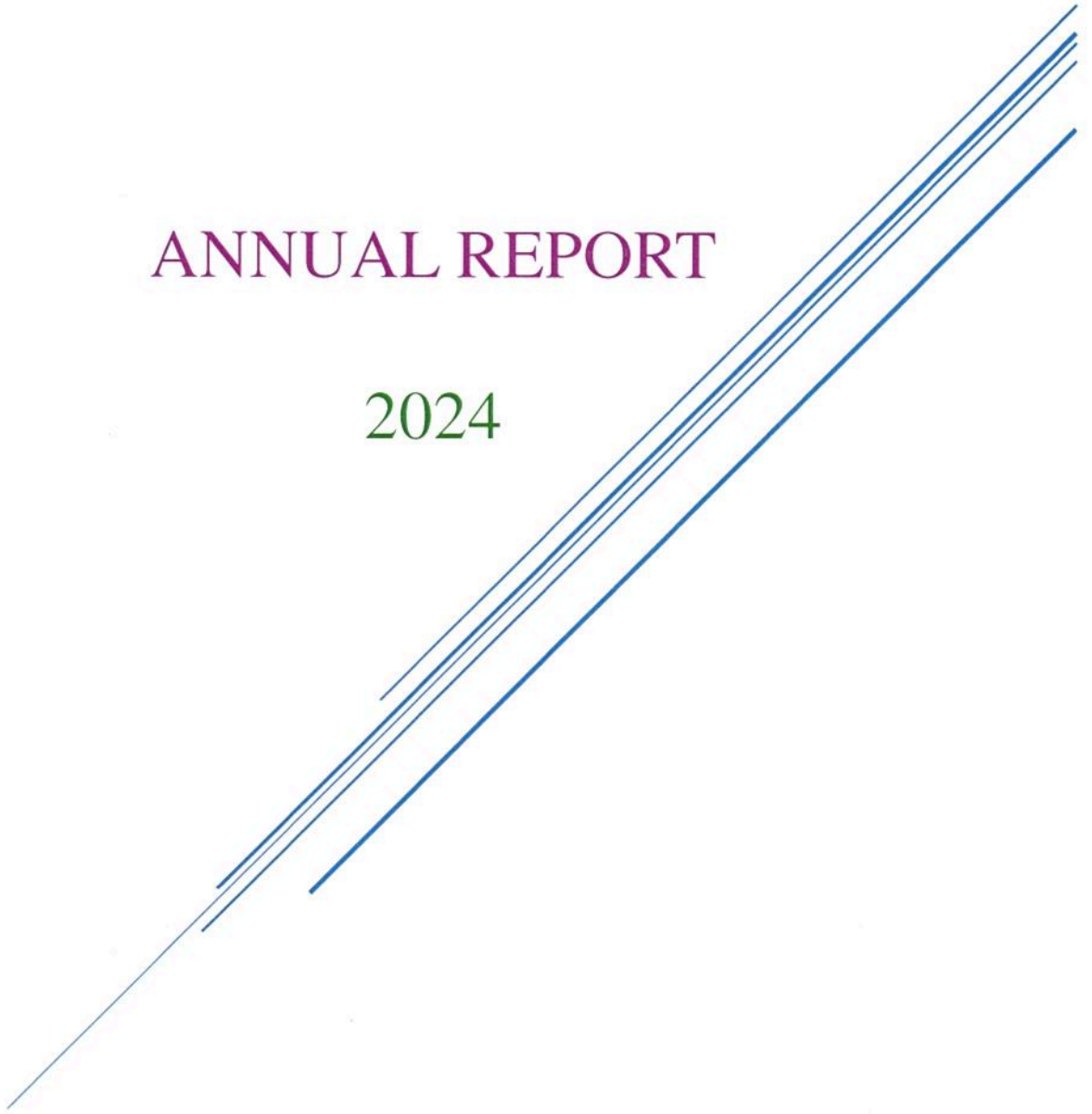




Law Foundation  
NEWFOUNDLAND & LABRADOR

# ANNUAL REPORT

2024



## **Board of Governors**

Regan O'Dea K.C. (Chair)  
Sheilagh Murphy K.C.  
Erin Best  
Justin Mellor K.C.  
Judith Lovas  
Morgan Cooper  
Robert Hickey

Mr. Gordon Woodland K.C. completed his term on February 9, 2024  
M. Gerald Wetzel completed his term on February 9, 2024  
Morgan Cooper and Robert Hickey joined the board in March 2024  
Justin Mellor K.C. ceased to act as Governor upon his appointment to the Supreme Court  
in December 2024

## **Executive Director**

Kirsten Morry (currently on parental leave)  
Dr. Tom Mahoney (effective July 15, 2024)

Law Foundation of Newfoundland and Labrador  
55 Elizabeth Avenue, Suite 202A  
St. John's, NL A1A 1W9

Telephone: (709) 754-4424

Website: [www.lawfoundationnl.com](http://www.lawfoundationnl.com)  
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#### Financial Statements

## Chair's Message

As Chair of the Board of Governors for the Law Foundation of Newfoundland and Labrador, I am pleased to present the Annual Report for the year ended December 31, 2024.

Our revenues are primarily derived from interest earned on lawyers' mixed trust accounts ("IOLTA") and unclaimed trust funds from the Law Society of Newfoundland and Labrador. In 2024, the Law Foundation received an historic net revenue of \$6,535,631 from IOLTA and \$5,983 from unclaimed trust funds. In addition, the Law Foundation experienced a favourable change in market value from its investment activities of \$353,830.47.

In 2024, we contributed a record \$4,357,087.37 to Legal Aid NL, representing two-thirds of IOLTA less expenses and funded various initiatives and scholarships. The Law Foundation funded three Law School Entrance Scholarships valued at \$10,000 for first year Newfoundland and Labrador students studying law in Canada, as well as provided a grant of \$150,000 to the University of New Brunswick Law School ("UNB") to fund law school scholarships to Newfoundland and Labrador residents. In 2024, the Law Foundation also added three new Upper-Year Scholarships valued at \$5,000 each.

Our board met three times during 2024 and discussed strategy and risks to the Law Foundation, as well as review and approve grant and scholarship applications, oversee investments and administer the Law Foundation's operations. I would like to take this opportunity to thank the members of the board for volunteering their time and generously contributing to the work of the Law Foundation. All Board members show great dedication and commitment, and their service to the Law Foundation and Province is greatly appreciated. In the day-to-day administration, I would like to recognize Kirsten Morry Executive Director who is currently on parental leave and Interim Executive Director Dr. Tom Mahoney whose professionalism and dedication are so important to the success of the work of the Law Foundation. I also acknowledge the ongoing support provided by the Law Society of Newfoundland and Labrador and its staff.

Regan O'Dea K.C.

## Law Foundation of Newfoundland and Labrador Overview

This is the 2024 Annual Report of the Law Foundation of Newfoundland and Labrador (“**Law Foundation**”). It provides an overview of the functions of the Law Foundation, including organizational structure, financial performance, scholarships, grants and other highlights at the Foundation.

The Law Foundation is a not-for-profit organization existing under Part IV of the *Law Society Act, 1991*. The Foundation maintains a fund from the revenues derived from interest earned on lawyers trust Accounts for the statutory objects of: (i) legal education and legal research; (ii) law reform; (iii) assistance in funding the Newfoundland and Labrador Legal Aid Commission (“**Legal Aid NL**”) as established under the *Legal Aid Act*; (iv) the establishment, operation and maintenance of a legal referral service for the residents of the Province; (v) the establishment, operation and maintenance of law libraries; and (vi) the provision of scholarships for studies in matters relevant to law. This report will focus in on how the Law Foundation funds activities and projects in furtherance of its statutory objects.

### Board of Governors

The Board of Governors consists of seven members: one of whom is the Minister of Justice and Public Safety or his appointee; one who is also appointed by the Minister of Justice and Public Safety but is not a bencher; and five members in good standing that are appointed by the benchers of the Law Society of Newfoundland and Labrador (“**Law Society**”). The Governors, individually and collectively, are interested in advancing the public’s understanding of the law through fulfilling the objects of the Law Foundation. Absent certain circumstances, a Governor serves a four-year term and is eligible for reappointment for one additional four-year term.

On February 9, 2024, Gordon Woodland K.C., and M. Gerald Wetzal completed their terms on the Board and Morgan Cooper and Robert Hickey joined the Board in March 2024. The Board of Governors in 2024 were Regan O’Dea K.C. (Chair), Erin Best, Sheilagh Murphy K.C., Justin Mellor K.C., Robert Hickey, Morgan Cooper, and Dr. Judit Lovas. In late December 2024, Justin Mellor ceased to be a Governor when he was appointed to the Supreme Court of Newfoundland and Labrador.

A sub committee of the Board of Governors is responsible for reviewing and awarding the Law Foundation Scholarships. The Scholarship Committee is comprised of three members. In 2024, the members were Regan O'Dea K.C. and longtime volunteers Crystal Eagan and Barbara Barrowman K.C.

## 2024 Revenue

There are three sources of revenue for the Law Foundation. The primary source is derived from interest earned on lawyers' mixed trust accounts maintained in each of the major five banks in this province. The other sources of revenue come from unclaimed trust funds and investments.

Revenue from **IOLTA** remains the primary revenue source for the Law Foundation. **IOLTA** revenues are a function of interest rates, and the balances held in pooled trust accounts. In 2024, **IOLTA** were a record \$6,695,194.48.

Unclaimed trust funds are another source of revenue to the Law Foundation. However, this revenue source does not provide the same level of revenue and are inconsistent. Unclaimed trust funds are paid on an annual basis by the Law Society to the Foundation. The Law Society holds these monies for a period of 10 years and if the rightful owner does not come forward the monies are paid to the Law Foundation. In 2024, the unclaimed trust funds amounted to \$5,983.33.

In addition, the Law Foundation engages a financial advisor, CIBC Wood Gundy, to manage and invest its reserve and excess funds. This strategy allows the Law Foundation to grow available funds to meet its objectives. In 2024, we experienced a favourable change in market value from investments of \$353,830.47.

Law Foundation revenue is used to fund grants, the payment to Legal Aid NL and Scholarships in furtherance of its statutory objects. The financial statements of the Foundation, including the qualified opinion of its external auditor are at Appendix A to this Annual Report.

## Operational Activities

The operational activities in 2024 were focused on financial management and receiving and distributing funding to support initiatives that will advance our statutory objects and benefit the people of Newfoundland and Labrador through grants and scholarships.

Financial management is a significant operational activity for the Executive Director including collecting and documenting interest on lawyer's trust accounts and working collaboratively with the Foundation's financial advisors, bookkeepers and auditors.

Interest revenue derived from trust accounts is received from the five major banks and credit unions in which NL lawyers/firms hold pooled trust funds. The Foundation holds an account in each of the five major banks and these banks will transfer the **IOLTA** at the end of each month. Funds are received periodically from the credit unions by cheque, which are deposited at the Foundation's main operating account. These funds are used for investments, grants, scholarships and to pay Legal Aid NL.

In 2023, the Law Foundation developed a statement of investment policies and procedures and engaged the services of CIBC Wood Gundy as financial advisor. In 2024, they continued to manage the Foundation's reserve and non-reserve excess funds. The executive and the financial advisors are guided by the Law Foundation's Investment Policy Statement ("**IPS**"). It establishes and sets forth the investment objectives, risk tolerance and risk profile of the Foundation, having consideration of the liquidity needs, investment restrictions and other unique circumstances of the Foundation. It is the governing document that guides all investment related decisions for the Foundation's portfolio. In addition, the **IPS** serves as the basis for the Executive Director's evaluating and monitoring the progress of achieving such goals and objectives, as well as outlining the service commitment of Wood Gundy for ongoing communications and portfolio reviews.

The 2024 there was a change in market value of our investments at year end of 6.3

% (\$353,830.47) which took place in an interest rate environment that saw several decreases in interest rates. In January 2024, the interest rate was 5%, then falling five times and ending the year at 3.25%.

In 2024, the Executive Director worked closely with Pinsent and Associates who provided the bookkeeping services for the Foundation as well as chartered professional accountants Noseworthy Chapman who completed the financial audit.

The other two main operational activities for the Executive Director are managing grants and scholarships. To promote its law-related grants, a communication was sent to several community-based organizations in this province. These communication efforts resulted in many discussions and face-to-face meetings to assist organizations in submitting applications for grants to be awarded in 2025. Posters promoting grant opportunities for law-related projects were designed, printed and distributed to several key organizations in Newfoundland and Labrador.

In 2024, the Law Foundation also provided a \$150,000 grant to enhance the scholarship program for Newfoundland and Labrador students studying Law at **UNB**. Also, three new Upper-Year Scholarships were approved by the Board valued at \$5,000 each. The Executive Director managed the three Entrance Scholarships, and they were awarded by a sub committee of the Board of Governors. These grants and scholarships are discussed further in the following sections.

## **Scholarships**

The Law Foundation provides Law School Entrance Scholarships and Upper-Year Law School Scholarships and has funded scholarships at universities for students studying law, including most recently increasing the funding for students from Newfoundland and Labrador studying law at **UNB**.

### **Law School Entrance Scholarships**

For the 2024-2025 academic year, three first-year \$10,000 scholarships were awarded to Alexander Steeves, Ewan MacLean and Evan Youden.

### **Upper-Year Law School Scholarships**

In 2024, the Law Foundation established funding for three annual Upper-Year Law School Scholarships each valued at \$5,000 starting for the 2025-2026 academic year. These will be awarded to residents of Newfoundland and Labrador who have demonstrated academic excellence

in their first or second year of law school and who have identified their intent to return to Newfoundland and Labrador to practice law. These scholarships will be managed internally by the Law Foundation and the Scholarship Committee will consider and evaluate the applicants as part of their mandate.

### **University of New Brunswick Scholarships**

The Law Foundation worked with **UNB** to enhance the scholarship program offering for Newfoundland and Labrador students studying law there. The scholarship program is now comprised of two entrance awards valued at \$3,000 each and two renewals in second year law at \$3,000 each. There are now four award recipients each year and \$12,000 awarded. Each year the scholarship staff at **UNB** will select new entrance recipients which renew in second year.

### **Legal Aid NL**

The Law Foundation has a statutory object to provide funding to Legal Aid NL. The Law Foundation is required to provide two-thirds of its **IOLTA** revenue less expenses to Legal Aid NL. The payment to Legal Aid NL in 2024 was a record \$4,357,087.37.

The services of Legal Aid NL are an essential component of a fair and accessible justice system in the province of Newfoundland and Labrador. Its mandate is to respond to the needs of those whose means are compromised, as well as the general public in certain instances, by providing high quality, innovative and collaborative legal services through a staff solicitor model.

### **Grants**

Grants awarded by the Law Foundation support its statutory objects including legal education and research, law reform, lawyer referral services and law libraries. Each year the board receives and assesses applications to determine whether a proposal supports a statutory object that can be supported by the Law Foundation. The Governors are guided by a grant policy which sets forth considerations such as involvement of, and potential benefits to residents of the province of Newfoundland and Labrador, innovation, and availability of alternative funding.

The Board of Governors meets annually to review and evaluate grant applications. Applications must be submitted to the Law Foundation by April 15, subject to the Governor's discretion. The annual meeting to review the grant application is normally held in May each year. In 2024, following a review and evaluation of review of the grant applications, the Law Foundation awarded \$697,270.00 to eleven organisations. Below is a summary of the applicants that received grants in 2024:

**Grants Awarded in 2024**

Public Legal Information Association of Newfoundland and Labrador	\$215,000
Law Society Law Library	\$200,000
University of New Brunswick Faculty of Law	\$150,000
CanLII	\$66,770
S.S. Daisy Legal History Committee	\$17,500
Canadian National Institute for the Blind	\$15,000
Business and Arts NL	\$10,000
University of Ottawa	\$10,000
MUN Mooting	\$5,000
East Coast Environmental Law	\$5,000
Canadian Bar Association	\$3,000
<b>Total</b>	<b>\$697, 270</b>

This is in addition to the \$\$4,357,087.37 paid to Legal Aid NL.



## Grantee Spotlight

### Law Society Law Library

Access to legal resources is critical to ensuring that the public can rely on competent lawyers to help them with their legal needs. The Law Foundation has been providing funding to assist with the operating costs of the Law Society Law Library for many years with the balance of the required funding provided by the Law Society of Newfoundland and Labrador (“LSNL”). In 2024, the Law Foundation awarded a grant of \$200,000.00 to the LSNL to help offset the operational costs of the Law Library.

Currently, the LSNL maintains and operates the Law Library with two full-time staff available five days a week for the benefit of lawyers, students/clerks, judges, and members of the public, both directly and indirectly. The Law Library provides access to a comprehensive collection of Canadian and select U.K. and U.S. legal materials in both print and electronic formats.

Members of the public can access the Law Library to conduct legal research on site in both open-access and commercial legal publications and can avail of the assistance of Library staff in developing research strategies and locating relevant resources in their holdings either on site or via Zoom through the “Ask a Librarian” service. The public can also use library computers to access the library catalogue and CanLII (which is fully owned and funded by all lawyers across Canada). CanLII provides free access to primary legal resources and some secondary sources which supports access to justice.

The Law Library remains available as a venue for pro bono legal clinics and the Law Librarian continues to work with groups of students and paralegals to assist them in learning how to use library resources.

The table below provides Law Library usage statistics from 2018 – 2024.

<i>Statistic</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
Loans	1,375	1,144	725	608	544	568	565
Circulations	1,982	1,880	1,089	773	737	813	868
Irwin Access	19	12	25	33	19	11	23
Reference Questions	531	439	563	608	490	520	391
Interlibrary Loans	7	7	12	2	5	3	3

In addition to these usage statistics, the Law Library reports that in 2024 there were walk-in visits from 132 members of the bar and 12 members of the public. Given that there are 831 practicing insured members of the LSNL, including those employed with government or some other non-law firm organizations, there continues to be a significant need to provide library resources. The LSNL Law Library is the only Law Library in the province which supports lawyers, students/clerks, judges, while being available to members of the public. The Law Foundation is proud to be able to provide funding to the LSNL to assist with the costs of operating the LSNL Law Library.

### **Acknowledgements**

The Law Foundation exists at the intersection of law and philanthropy. Without the actions and diligence of the members of the Law Society, the Foundation would not exist. The Board of Governors appreciates the efforts of the members and staff of the Law Society to ensure interest on lawyer's trust accounts is remitted timely and accurately to the Law Foundation.

The Law Foundation also thanks those who apply for scholarships and grants and access the funding available through the Law Foundation. These applicants access funding from the Law Foundation in furtherance of Law Foundation's objects and for the benefit the people of Newfoundland and Labrador. It is thanks to their efforts that the public is further served with many worthwhile causes.

## Appendix A

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**LAW FOUNDATION OF NEWFOUNDLAND  
AND LABRADOR GENERAL FUND**

**Separate Financial Statements**

**Year Ended December 31, 2024**



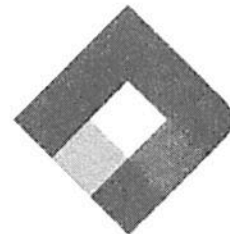
LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR GENERAL FUND

Index to Separate Financial Statements

Year Ended December 31, 2024

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**INDEPENDENT AUDITOR'S REPORT**

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To the Governors of Law Foundation of Newfoundland and Labrador General Fund

*Qualified Opinion*

We have audited the separate financial statements of Law Foundation of Newfoundland and Labrador General Fund (the "organization"), which comprise the separate statement of financial position as at December 31, 2024, and the separate statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the organization as at December 31, 2024, and the separate results of its operations and separate cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Qualified Opinion*

The Law Foundation derives revenue from interest on lawyers' mixed trust funds on deposit at various banks, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to interest income, excess of revenues over expenses, current assets and net assets. Our audit opinion on the separate financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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

*Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes the basis of presentation used in these financial statements. These financial statements include only the activities of the Law Foundation of Newfoundland and Labrador General Fund. The Law Foundation of Newfoundland and Labrador - Law School Scholarship Fund is reported in a separate report. As a result, the financial statements may not be suitable for another purpose.

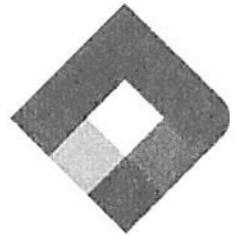
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# NOSEWORTHY CHAPMAN

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## Independent Auditor's Report to the Governors of Law Foundation of Newfoundland and Labrador General Fund (continued)

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

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

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

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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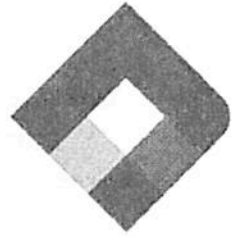


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## Independent Auditor's Report to the Governors of Law Foundation of Newfoundland and Labrador General Fund (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Noseworthy Chapman*

Chartered Professional Accountants  
St. John's, NL  
May 22, 2025

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR GENERAL FUND

Separate Statement of Financial Position

December 31, 2024

	2024	2023 <i>(Note 8)</i>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 913,777	\$ 1,633,734
Short term investments, at market value	7,554,649	4,845,894
Interest receivable	476,386	504,425
Prepaid expenses	2,673	2,647
Specified investments <i>(Note 3)</i>	700,000	700,000
Due to Law Foundation of Newfoundland and Labrador - Law Foundation Scholarship Fund <i>(Note 4)</i>	1,000	1,000
	<b>9,648,485</b>	<b>7,687,700</b>
<b>CAPITAL ASSETS <i>(Note 5)</i></b>	<b>1,951</b>	<b>2,774</b>
	<b>\$ 9,650,436</b>	<b>\$ 7,690,474</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 15,459	\$ 10,352
Government remittances payable	5,596	1,998
Grants payable	41,125	33,358
Legal Aid Commission payable <i>(Note 6)</i>	4,357,087	4,235,081
	<b>4,419,267</b>	<b>4,280,789</b>
<b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Unrestricted	4,529,218	2,706,911
Investment in capital assets	1,951	2,774
Internally restricted <i>(Note 3)</i>	700,000	700,000
	<b>5,231,169</b>	<b>3,409,685</b>
	<b>\$ 9,650,436</b>	<b>\$ 7,690,474</b>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Governor

\_\_\_\_\_ Governor

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR GENERAL FUND  
 Separate Statement of Revenues and Expenditures  
 Year Ended December 31, 2024

	2024	2023 <i>(Note 8)</i>
<b>REVENUE</b>		
Interest on lawyers' trust accounts	\$ 6,695,194	\$ 6,509,350
<b>EXPENSES</b>		
Amortization	823	795
Board meetings	499	16
Bookkeeping fees	5,405	4,830
Grants	697,270	298,355
Insurance	3,181	4,042
Interest and bank charges	20,815	23,389
Legal aid commission <i>(Note 6)</i>	4,357,087	4,234,745
Meetings and conventions	-	900
Memberships	138	100
Office	3,079	6,919
Professional fees	19,143	10,624
Rental	19,336	20,630
Salaries and wages	80,942	79,747
Travel	6,202	5,240
	<b>5,213,920</b>	<b>4,690,332</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>1,481,274</b>	<b>1,819,018</b>
<b>OTHER INCOME (EXPENDITURES)</b>		
Interest income	247,740	155,835
Unrealized gain on short term investments	92,986	29,734
Loss on sale of short term investments	(153)	(1,968)
Investment fees	(15,299)	(3,379)
Other investment income	14,936	4,953
	<b>340,210</b>	<b>185,175</b>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>\$ 1,821,484</b>	<b>\$ 2,004,193</b>

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR GENERAL FUND

Separate Statement of Changes in Net Assets

Year Ended December 31, 2024

	Investment in Capital Assets	Unrestricted	Internally Restricted	2024	2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 2,774	\$ 2,706,911	\$ 700,000	\$ 3,409,685	\$ 1,405,492
Excess (deficiency) of revenues over expenditures	(823)	1,822,307	-	1,821,484	2,004,193
<b>NET ASSETS - END OF YEAR</b>	\$ 1,951	\$ 4,529,218	\$ 700,000	\$ 5,231,169	\$ 3,409,685

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR GENERAL FUND

Separate Statement of Cash Flows

Year Ended December 31, 2024

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Cash receipts	\$ 6,723,233	\$ 6,259,476
Cash paid to Legal Aid Commission, suppliers and employees	(5,069,282)	(1,906,345)
Interest and bank charges paid	(20,815)	(23,389)
Cash flow from operating activities	1,633,136	4,329,742
<b>INVESTING ACTIVITIES</b>		
Interest income	247,740	155,808
Other investment income	14,936	4,953
Purchase of capital assets	-	(1,242)
Purchase of short term investments	(2,615,769)	(3,031,159)
Cash flow used by investing activities	(2,353,093)	(2,871,640)
<b>INCREASE (DECREASE) IN CASH</b>	<b>(719,957)</b>	<b>1,458,102</b>
Cash - beginning of year	1,633,734	175,632
<b>CASH - END OF YEAR</b>	<b>\$ 913,777</b>	<b>\$ 1,633,734</b>

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR GENERAL FUND

Notes to Separate Financial Statements

Year Ended December 31, 2024

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1. GENERAL

The Law Foundation of Newfoundland and Labrador General Fund (the "Foundation") was established on February 1, 1980, by the proclamation of Part IV of the Law Society Act. The Foundation, from revenues derived pursuant to Section 69 of the Act, maintains a fund to be used for the purposes of legal education, legal research, law reform, legal aid, legal referral service, law libraries and law scholarships.

The Foundation derives its funding from interest on lawyers' trust accounts (IOLTA) and investment income. IOLTA varies significantly from year to year, primarily due to changes in interest rates and average loan balances in lawyers' trust accounts. The Foundation has no control over the amount of IOLTA revenue or unclaimed trust fund receipts from year to year.

The Foundation maintains reserves to ensure a consistent ability to meet its objectives and its operational expenditures.

The Foundation established and administers the Law Foundation Legal Research Awards for Students of Memorial University and the Law Foundation Law School Entrance Scholarships for residents of the Province, tenable at any Canadian Law School. In 2020, they marked their 26th and 37th anniversaries, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These separate financial statements present the financial position and operations of the Law Foundation of Newfoundland and Labrador General Fund only and do not include the activities of the Law Foundation of Newfoundland and Labrador - Law School Scholarship Fund (the "Scholarship Fund"). The activities of the Scholarship Fund are presented in separate financial statements. The Foundation's separate financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash

Cash includes cash on hand and balances with financial institutions, net of overdrafts.

Investments

Short term investments consist primarily of guaranteed investment certificates and marketable securities with original maturities at date of purchase beyond three months and less than twelve months.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	45%	declining balance method
Office furniture and equipment	20%	declining balance method

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. The Foundation does not have freestanding derivative instruments or equity instruments. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events or circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Revenue recognition

The Law Foundation of Newfoundland and Labrador General Fund follows the deferral method of accounting for contributions. Interest on lawyers' trust accounts (IOLTA) is recognized when the amount is known and collection is reasonably assured. Investment income is recognized as revenue when earned.

Interest earned on lawyers' trust accounts

The interest earned on lawyers' mixed trust accounts is calculated by financial institutions based on interest rates and terms negotiated by the Foundation with individual financial institutions. The Foundation reports interest earned separate from service fees where charged.

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 earned until such time as it is received from each individual financial institution, upon lawyers' instructions.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Examples of significant estimates include:

- providing for amortization of capital assets and goodwill;
- the estimated useful lives of assets;
- the recoverability of capital assets;

Management does not expect these significant estimates to change materially in the near term.

**LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR GENERAL FUND**

**Notes to Separate Financial Statements**

**Year Ended December 31, 2024**

**3. SPECIFIED INVESTMENTS/INTERNALLY RESTRICTED NET ASSETS**

It is the policy of the Foundation to maintain a deposit of \$200,000 (2023 - \$200,000) for administration and \$500,000 (2023 - \$500,000) for grant applicants in the event of any revenue reduction. The \$700,000 specified investment is an allocation of short term investments held in various accounts.

**4. DUE TO LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR - LAW SCHOOL SCHOLARSHIP FUND**

During the year, the amount of \$Nil (2023-\$1,000) was transferred from the Law Foundation General Fund to the Law Foundation Scholarship Fund.

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 2,813	\$ 2,223	\$ 590	\$ 1,074
Office furniture and equipment	4,609	3,248	1,361	1,700
	<b>\$ 7,422</b>	<b>\$ 5,471</b>	<b>\$ 1,951</b>	<b>\$ 2,774</b>

**6. LEGAL AID COMMISSION**

Pursuant to The Law Society Act (the "Act"), the Foundation must contribute two-thirds of the net revenues received in each calendar year directly to the Newfoundland and Labrador Legal Aid Commission. Net revenues are defined as the interest received from trust accounts, less office, salaries and employment benefits, professional fees and other administrative expenditures.

**7. CORRECTION OF ACCOUNTING ERROR**

During the December 31, 2024 audit, a correction of an accounting error was made relating to the December 31, 2023 year-end. The result was that comparative figures for the December 31, 2023 year-end changed as follows: Cash increased by \$37,500 and Grant expense decreased by \$37,500.

**LAW FOUNDATION OF NEWFOUNDLAND  
AND LABRADOR LAW SCHOOL  
SCHOLARSHIP FUND**

**Separate Financial Statements**

**Year Ended December 31, 2024**



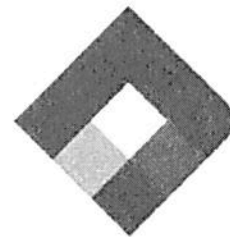
LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND

Index to Separate Financial Statements

Year Ended December 31, 2024

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**INDEPENDENT AUDITOR'S REPORT**

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To the Governors of Law Foundation of Newfoundland and Labrador Law School Scholarship Fund

*Opinion*

We have audited the separate financial statements of Law Foundation of Newfoundland and Labrador Law School Scholarship Fund (the "organization"), which comprise the separate statement of financial position as at December 31, 2024, and the separate statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of the organization as at December 31, 2024, and the separate results of its operations and separate cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Opinion*

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

*Emphasis of Matter*

Without modifying our opinion, we draw attention to Note 2 to the separate financial statements which describes the basis of presentation used in these separate financial statements. These separate financial statements include only the activities of the Law Foundation of Newfoundland and Labrador Law School Scholarship Fund. The Law Foundation of Newfoundland and Labrador General Fund is reported in a separate report. These separate financial statements are prepared to provide information to the Board of Directors on the financial operations of the Law Foundation of Newfoundland and Labrador Law School Scholarship Fund distinct from that of the Law Foundation of Newfoundland and Labrador General Fund. As a result, the separate financial statements may not be suitable for another purpose.

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

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

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

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

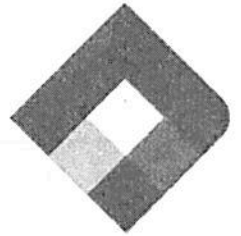
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# NOSEWORTHY CHAPMAN

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## Independent Auditor's Report to the Governors of Law Foundation of Newfoundland and Labrador Law School Scholarship Fund (continued)

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Noseworthy Chapman*

Chartered Professional Accountants  
St. John's, NL  
May 22, 2025



**LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND**

**Separate Statement of Financial Position**

**December 31, 2024**

	2024	2023
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 10,266	\$ 3,095
Specified investments, at market value (Note 2)	377,120	361,497
	<b>\$ 387,386</b>	<b>\$ 364,592</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 15,000	\$ -
Due to Law Foundation of Newfoundland and Labrador - Law School Scholarship Fund (Note 3)	1,000	1,000
	<b>16,000</b>	<b>1,000</b>
<b>NET ASSETS</b>		
Reserve account	300,000	300,000
Unrestricted	71,386	63,592
	<b>371,386</b>	<b>363,592</b>
	<b>\$ 387,386</b>	<b>\$ 364,592</b>

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Governor

\_\_\_\_\_ Governor

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND

Separate Statement of Revenues and Expenditures

Year Ended December 31, 2024

	2024	2023
<b>REVENUES</b>		
Unclaimed trust funds <i>(Note 4)</i>	\$ 22,205	\$ 8,566
Interest income <i>(Note 5)</i>	15,623	12,661
	<u>37,828</u>	<u>21,227</u>
<b>EXPENDITURES</b>		
Interest and bank charges	34	21
Scholarship expense	30,000	30,000
	<u>30,034</u>	<u>30,021</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 7,794</b>	<b>\$ (8,794)</b>

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND

Separate Statement of Changes in Net Assets

Year Ended December 31, 2024

	Reserve account	Unrestricted	2024	2023
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 300,000	\$ 63,592	\$ 363,592	\$ 372,386
Excess (deficiency) of revenues over expenditures	-	7,794	7,794	(8,794)
<b>NET ASSETS - END OF YEAR</b>	\$ 300,000	\$ 71,386	\$ 371,386	\$ 363,592

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND

Separate Statement of Cash Flows

Year Ended December 31, 2024

	2024	2023
<b>OPERATING ACTIVITIES</b>		
Cash receipts	\$ 22,205	\$ 14,040
Cash paid for scholarships	(15,000)	(30,000)
Interest and bank charges paid	(34)	(21)
Cash flow (used by) from operating activities	7,171	(15,981)
<b>INVESTING ACTIVITIES</b>		
Specified investments	(15,623)	4,503
Interest income	15,623	12,661
Cash flow from investing activities	-	17,164
<b>FINANCING ACTIVITY</b>		
Advances from Law Foundation General Fund	-	1,000
<b>INCREASE IN CASH</b>	<b>7,171</b>	<b>2,183</b>
Cash - beginning of year	3,095	912
<b>CASH - END OF YEAR</b>	<b>\$ 10,266</b>	<b>\$ 3,095</b>

See notes to financial statements

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND

Notes to Separate Financial Statements

Year Ended December 31, 2024

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1. GENERAL

Law Foundation of Newfoundland and Labrador Law School Scholarship Fund (the "Entity") was established in 1984 to award annual scholarships in honour of the 150th Anniversary of the incorporation of the Law Society of Newfoundland and Labrador in 1834, to be tenable at any Canadian Law School. The interest generated from the Reserve Account will be used to award a maximum of three \$10,000 scholarships per year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These separate financial statements present the financial position and operations of the Law Foundation of Newfoundland and Labrador Law School Scholarship Fund only and do not include the activities of the Law Foundation of Newfoundland and Labrador General Fund (the "Foundation"). The activities of the Foundation are presented in separate financial statements. The Scholarship Fund's separate financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash

Cash includes cash on hand and balances with financial institutions, net of overdrafts.

Specified investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Revenue recognition

Unclaimed trust fund revenue and interest income is recorded as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonable assured.

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LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND

Notes to Separate Financial Statements

Year Ended December 31, 2024

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. The Scholarship Fund does not have freestanding derivative instruments or equity instruments. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Scholarship Fund has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Scholarship Fund determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Scholarship Fund expects to realize by exercising its right to any collateral. If events or circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. DUE FROM LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR - GENERAL FUND

During the current fiscal year, the amount of \$1,000 was transferred from the Law Foundation General Fund to the Scholarship Fund.

4. UNCLAIMED TRUST FUNDS

In 2016 the Board of Governors adopted a policy to place the total unclaimed trust funds received annually from the Law Society into the Law Foundation Law School Scholarship Fund to be used for payment of the Scholarships. The unclaimed trust fund revenue is excluded from the calculation of the Foundation's contribution to Newfoundland and Labrador Legal Aid. Unclaimed trust funds received since 2019 have been summarized below:

2019	\$	44,591
2020		27,355
2021		16,663
2022		9,216
2023		8,566
2024		20,205

LAW FOUNDATION OF NEWFOUNDLAND AND LABRADOR LAW SCHOOL SCHOLARSHIP FUND

Notes to Separate Financial Statements

Year Ended December 31, 2024

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5. INTEREST INCOME

The interest accruing on the Scholarship Fund is not part of the interest used in determining the Foundation's contribution to Newfoundland and Labrador Legal Aid.

