

JUSTICE ACCESSIBLE TO ALL

OUR VISION

Justice accessible to all.

OUR MISSION

We inspire and support innovative programs and initiatives promoting accessible justice.

LEGISLATIVE MANDATE

We grant funds for the purposes of legal education, legal research, legal aid, law libraries and law reform in accordance with our governing legislation.

OUR CORE VALUES

The Law Foundation of Saskatchewan has chosen the following core values that will guide how we fulfill our legislative mandate.

- **Stewardship**: We manage, invest, and distribute monies entrusted to the Law Foundation prudently and responsibly.
- Collaboration: We seek and encourage partnerships and co-operative actions with and among grantees, stakeholders and others in achieving our mission. We encourage collaboration with and among those who work together to promote the achievement of our vision and mission. We support networks for sharing ideas to create and advance this purpose.
- Innovation: We are open to and seek new ways to fulfill the mission of inspiring and supporting innovative programs and initiatives promoting accessible justice within our mandate.
- Positive impact: We seek evidence that our investments in projects and organizations improve the lives of those who are seeking justice.
- Accountability: We hold ourselves and grantees accountable by regular evaluation and assessment of performance as measured against our vision, mission and values.

STRATEGIC PRIORITIES

1. Manage Our Resources Prudently

In a dynamic funding environment, we will increase our focus on adhering to an ethic of responsible planning and management of our resources. We will maintain and follow an appropriate investment and reserve policy. We will exercise due diligence in managing our resources and in our granting processes.

2. Improve Our Granting Processes

We will improve our knowledge of the grantee organizations we fund. We will work with grantees to evaluate how their work facilitates access to justice for our citizens in an effective manner. We will use our evaluation processes to determine our grant allocations and to ensure we fund initiatives that are in line with our vision, mission and values.

3. Increase Our Involvement in Access to Justice Initiatives

We will increase the knowledge of our Foundation and its work within the legal profession. We will seek to more clearly understand how non profit agencies provide access to justice services and increase our visibility within that community. We will seek to inspire new and innovative approaches to access to justice working with our grantee organizations and institutions that promote access to justice.

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Message from the Chair





We are pleased to provide the 47th Annual Report of the Law Foundation of Saskatchewan for the fiscal year ended June 30, 2020. This report is for the citizens of Saskatchewan and is provided to the Minister of Justice of Saskatchewan and to the Law Society of Saskatchewan pursuant to section 79 of *The Legal Profession Act, 1990*.

As we began the fiscal year, we were celebrating a return to financial stability and an optimistic outlook. We expected to be able to fund, for the foreseeable future, a variety of core programs and projects that meet our mandate and values. With the COVID-19 pandemic emerging in March 2020, and ensuing prime bank rate cuts, our world was turned upside down and our longer term funding capacity dramatically impaired. This is not good news for our grantees.

Fortunately, our fiscal year ended on June 30, 2020, so the COVID-19 crisis only impacted our results in the last quarter. Prime interest rate cuts totaling 150 basis points in March 2020 were the main catalyst for the decline of \$1.2 million in our revenues year over year compared to fiscal 2019. Notwithstanding that decline, we were able to make grants of \$4.9 million compared to \$3.7 million the prior year.

We continue to dialogue closely with our grantees to keep them abreast of our ongoing funding capacity and to anticipate their needs. They have been reassured that the grants made during the year just ended are fully funded. We have also communicated that we plan to draw down on our grant stabilization reserve in the coming year and will, to the greatest extent possible, maintain the current level of funding for our core ongoing programs.

This is not the first time that low interest rates have had a significant impact on our ability to fund our grantees. In 2016-2017 we asked our grantees to take modest cuts to their funding. Fortunately, we were able to restore those cuts in the following years as interest rates recovered and increased. Looking beyond 2021 is difficult, experience shows things can change quickly. However, all indicators point to interest rates remaining at current rock bottom

levels for several years. Our commitment to clear communication with our grantees is paramount, and they are aware of the risk to ongoing program funding should the current level of interest rates persist.

We continue to dialogue closely with our grantees to keep them abreast of our ongoing funding capacity and to anticipate their needs. They have been reassured that the grants made during the year just ended are fully funded.

We continue to fulfill our legislative mandate by making grants to organizations that support innovative programs and initiatives promoting accessible justice that have a positive impact and are planned and delivered in a collaborative fashion. We acknowledge the important work our grantees do to make justice more accessible to all Saskatchewan residents. It is also important to recognize their success in continuing service to the people of Saskatchewan during the COVID-19 pandemic. The details of grants approved during the most recent year are contained in the body of this report and our financial statements.

During the year, Irene Seiferling's appointment through the Minister of Justice expired. Irene's expertise in governance and strategic matters was a great resource to our board and very much appreciated and respected.

The board welcomed Trevor Forrest to the Foundation in November 2019. Trevor is appointed by the Minister of Justice and brings a background in community based not-for-profit organizations. Throughout his career he served in various positions, including as Executive Director of the Saskatoon Community Foundation and Director of Corporate Development for Tourism Saskatoon.

On November 19, 2020, our Chair, Melanie Baldwin, Q.C. was appointed a Queen's Bench Justice. In accordance with customary practice in such circumstances, Melanie stepped aside as a board member and her role was assumed by our Vice Chair, Tom Schonhoffer. In making the transition Melanie said, "It has been an honour to serve as a member, Vice Chair and Chair of the Foundation. The work that our grantees do and their service to the people of Saskatchewan are both humbling and inspirational, and learning about and trying to meet their needs has been a source of great personal satisfaction for me."

On January 1, 2021, our Acting Chair, Tom Schonhoffer, Q.C., will assume the Chair and David Chow, J.D., will become Vice Chair.

We would like to express our thanks to our fellow board members for their diligence in governing the Foundation's activities. Their conduct embraces our core values and, without fail, demonstrates the necessary commitment to the stewardship of the Foundation which is so vital to ensuring the effective discharge of our mandate. We would also like to thank our Executive Director, Bob Watt, for his continued provision of invaluable support and personal counsel to us, and to the Foundation generally.

On behalf of the board of the Law Foundation of Saskatchewan we respectfully submit this annual report. We appreciate the opportunity to serve the people of Saskatchewan by ensuring the Foundation achieves its vision and meets its legislated purposes.

Melanie Baldwin, Q.C. Chair

To November 19, 2020

Tom Schonhoffer, Q.C. Acting Chair December 7, 2020

To SAM

Law Foundation of Saskatchewan

Our Legislative Purposes

The Law Foundation of Saskatchewan was established in 1971 and was one of the first foundations of its kind in Canada. The Foundation is governed by *The Legal Profession Act, 1990* of Saskatchewan.

The Foundation has established a fund to accumulate and distribute interest earned on lawyers' mixed trust accounts to the benefit of the public in Saskatchewan.

The purposes for which the funds are to be distributed are described in our legislation and are:

- legal education
- legal research
- legal aid
- law libraries
- law reform

From its fund the Foundation's board members make grants that are consistent with the legislative purposes of the Foundation. The grants are made to organizations that deliver innovative programs and initiatives promoting accessible justice and that the board members believe will succeed in improving the lives of the public in Saskatchewan.

Our Funding Sources

The Foundation is a non-profit organization which is required by legislation to set up a fund to receive and distribute the interest on clients' funds held in lawyers' mixed trust accounts maintained in financial institutions. Mixed trust accounts are those specifically not designated to a client of a lawyer because the funds are normally held for a brief period (for example in a real estate transaction) and the costs of administering the account do not make specific designation feasible.

Across the province the amounts held by lawyers in mixed trust accounts, while generally small individually, are collectively significant.

Saskatchewan's financial institutions pay interest on these mixed trust accounts directly to the Foundation. All lawyers' mixed trust accounts earn interest at rates negotiated between the Foundation and the various financial institutions.

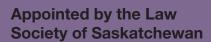
The fund also accumulates investment income from investments held by the Foundation pending distribution to grantees. Until January 1, 2020, under our governing legislation investments could only be made "at interest". On January 1, 2020, the legislation was changed to remove that restriction, thereby permitting investment in a wider range of investment products, such as bond funds and equities. While these new investment powers are now available to the Foundation, the historically conservative investment policies of the Foundation have continued in place. The Audit & Investment Committee is working on future strategies to appropriately broaden our investment profile to enhance yield.





Board and Management

As of June 30, 2020



- 1. Melanie Baldwin, Q.C. Chair
- 2. Tom Schonhoffer, Q.C. Vice Chair
- 3. Evert Van Olst, Q.C.
- 4. Brenda Walper-Bossence, Q.C.
- 5. David Chow, J.D.

Appointed by the Minister of Justice

- Glen Gardner, Q.C., Deputy
 Minister of Justice and Deputy
 Attorney General Minister's designate
- 7. Merlis Belsher, Q.C., FCPA, FCA, LLD. (Hon) Treasurer
- 8. Trevor Forrest, B. Comm
- 9. Tim Bergsma, B. Comm

Executive Director

10. Bob Watt, FCPA, FCA



Financial Highlights

Revenues - Mixed Trust Accounts

Revenues from mixed trust accounts are the main source of funding of grants for ongoing programs and projects undertaken by our grantees. We use the monies we receive by statute to inspire and support innovative programs and initiatives promoting accessible justice. However, we do not control the interest revenues we receive from mixed trust accounts. They are dependent on the amount at any point in time in mixed trust accounts in Saskatchewan and the interest rate paid by financial institutions on those balances.

During the year ended June 30, 2020, interest earned on lawyers' mixed trust accounts was \$5,457,597 compared to \$6,738,539 in 2019. This represented a decrease of approximately 23% in our main revenue source and resulted directly from declaration of the global pandemic and the consequential impact of a 150 basis points decrease in the prime bank interest rate in March 2020.

Our mixed trust revenue trend for the past ten years is illustrated in *Table 1*.

The bank prime interest rate at period end for the past ten years is illustrated in *Table 2*.

Subsequent to our fiscal year end the bank prime rate has remained unchanged and currently stands at 2.45%.

The other factor that impacts the revenues that we receive is the amount of monies in mixed trust accounts at any point in time. We measure the average balances on a twelve month rolling basis to reflect seasonality. The average balances in these trust accounts in Saskatchewan peaked at

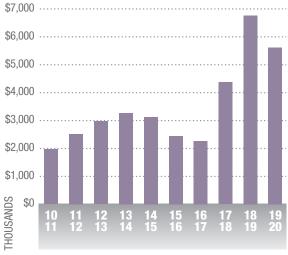


Table 1 | Table of Revenues

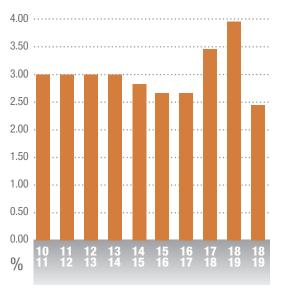
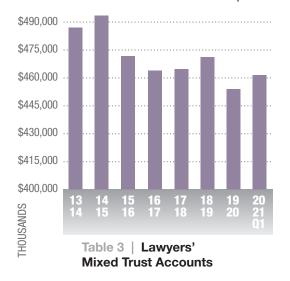


Table 2 | Bank Prime Interest Rates

approximately \$494 million in June 2015. Since then, the average balances had stabilized in a range between \$460 and \$470 million. At June 30, 2020, the balances have decreased to approximately \$450 million. This most recent decrease was almost certainly accelerated by the economic slowdown after the pandemic was declared in the latter part of our fiscal year.

Table 3 reflects the average trailing twelve month balances over the past seven years and the first quarter of fiscal 2021.

Financial institutions continue to offer competitive



interest rates on mixed trust accounts. These rates are generally priced off the prime rate of the financial institution and subject to a floor rate, usually 25 basis points. These floor rates are crucially important to the Foundation in a low interest rate environment like this. On a composite basis across all the financial institutions we earned approximately 120 basis points on mixed trust deposits, which has decreased from 143 basis points in fiscal 2019. Previously we earned 93 basis points in 2018 and 50 basis points in both fiscal 2016 and 2017. We appreciate the support of Canada's major banks and Saskatchewan's credit unions that beyond paying interest on deposits, see the value of the work we and our grantees do in our communities to enhance access to justice.

Revenues-Investment Income

Investment income was \$409,290 in 2020 compared to \$314,460 in 2019, primarily due to having more monies available to invest.

Grant Expenses - 2011-2020

Our grant expenses from unallocated surplus (before grant recoveries) and from our Strategic Initiatives reserve are shown in *Table 4*.

In fiscal 2020 we granted \$4,917,200, compared

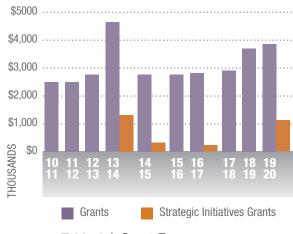


Table 4 | Grant Expenses

to \$3,704,800 in 2019. Of this total, we funded \$1,061,300 in grants from our Strategic Initiatives Reserve in 2020.

The Foundation maintains two reserve accounts, a Grant Stabilization Reserve and a Strategic Initiatives Reserve.

Grant Stabilization Reserve: This reserve protects our ongoing grantees, those who rely on the Foundation for their primary funding, from sustained declines in interest revenues and therefore our funding capacity.

Our goal is to maintain 3.0 times the current level of funding to such organizations to reflect the time it can take to adjust their operations to new levels of activity if a period of low interest rates and/or a weak economic environment persist. During the past two years we were able to increase our grant stabilization reserve. The Foundation will continue to exercise

stewardship over its financial assets and maintain a sufficient reserve position to protect the grantees and the important programs we fund.

Strategic Initiatives Reserve: This reserve allows the Foundation to respond to significant new one-time initiatives which are deemed to be strategic.

During the year, the Foundation granted \$1,061,300 in project funds from this reserve. The balance in the reserve is \$4,718,640 as of June 30, 2020. The Foundation remains able to make a difference through significant one-time initiatives.



Outlook for 2020-2021

The declaration of the global pandemic for the COVID-19 virus has had a devastating impact on the Foundation's outlook. The prime bank interest rate dropped 150 basis points in March 2020, pushing interest earned on lawyers' mixed trust accounts to floor rates of 25 basis points in most cases. For planning purposes, we have assumed a floor rate interest environment through the 2020-2021 fiscal year. This will result in a projected 70% reduction in our annual revenues to approximately \$1.6 million for next fiscal year. There is no indication within the broader banking community that interest rates will return to more normal levels any time soon, and almost certainly not within the next year.

As noted, balances in mixed trust accounts have declined and the future remains uncertain based on the ongoing global pandemic and its impact on our Saskatchewan economy. Assuming balances remain at the lower level they are currently at, our revenues are not projected to increase in fiscal 2021 on account of this factor.

Due to the expected significant decline in our revenues in our upcoming year, the Foundation will no longer be able to fund grants at current levels without drawing down on its Grant Stabilization Reserve. We have communicated to our core grantees that we intend to keep, to the extent possible, grant levels at historical levels in the coming year. They have also been advised that if revenue declines persist beyond 2021 cuts to grant levels can be expected.

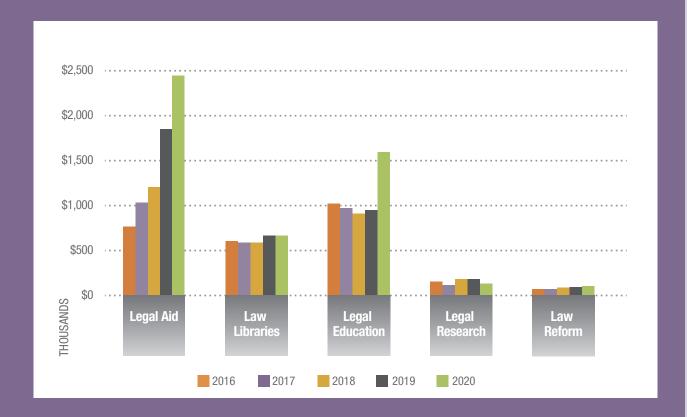
The success of our grantees is crucial to achieving our vision. As responsible stewards of the monies that are entrusted to us, balancing fiscal realities with a need and desire to support our grantees is an ongoing imperative.

We are working with our grantees to ensure short term stability in their annual funding so that they may continue to deliver their important programs and to identify one-time projects that can be funded from our Strategic Initiatives Reserve.

Funded Programs and Projects

The breakdown of the Foundation's grant expenses from 2016-2020 (in thousands) in accordance with its legislative purposes is set out below:





Funded Programs and Projects

(continued)

The larger organizations that the Foundation is currently supporting are described below. Details of all amounts granted in the last two fiscal years are

detailed in Schedule 1 of the financial statements in this annual report.

Grant recipient	Grant purpose	2019-2020 Grant amount	
Public Legal Education Association of Saskatchewan	Facilitate the creation and distribution of high quality legal information to the public.	\$	706,000
Law Society of Saskatchewan - Legal Resources	Provide print and online legal resources and services.	\$	700,000
College of Law at the University of Saskatchewan *	Access to Justice Coordinator	\$	611,300
Community Legal Assistance Services for Saskatoon Inner City (CLASSIC)	Providing clients with basic legal services and legal information.	\$	500,000
Pro Bono Law Saskatchewan	Improves access to justice by providing high- quality pro bono legal services.	\$	500,000
Elizabeth Fry Society of Saskatchewan	Working for and with criminalized women and their families involved in the criminal justice system.	\$	450,000
Ministry of Justice, Province of Saskatchewan *	E-Justice project	\$	450,000
College of Law at the University of Saskatchewan	Various programs to support undergraduate and graduate students at the College.	\$	252,900
Legal Aid	LAIN 2.1 project	\$	250,150
John Howard Society of Saskatchewan	Addition of staff lawyer to strengthen and expand services in Saskatchewan.	\$	113,200
Law Reform Commission of Saskatchewan	Working to simplify and modernize laws in the province.	\$	112,000

^{*}Strategic initiatives grant

The Foundation in Action

Access to Justice is never more relevant than for those without financial means

Our justice system strives for fair outcomes but legal representation is still beyond some with limited financial means. It is not difficult to imagine how frequently this must be happening when the average hourly rates charged by private practice lawyers in Western Canada range from \$197 to \$439 depending on years of experience. Saskatchewan residents making minimum wage would have to work 17 to 38 hours to afford 1 hour of legal advice.

In such circumstances, can justice always be present? Considering the complexities of the law and the intricacies of its processes, can an average citizen without legal representation feel confident he/ she will obtain a just decision?

Fortunately, thanks to Pro Bono Law of Saskatchewan (PBLS), many are spared the danger of facing justice without any legal advice or representation. PBLS provides two programs to low income Saskatchewan residents: (1) *Free Legal Clinics* and (2) the *Panel Program*.

At any of the 14 Free Legal Clinics operating across Saskatchewan, clients receive up to one hour of free legal advice from a volunteer lawyer. "Our goal is to help people who cannot afford a lawyer get advice about their legal issue," says Carly Romanow, PBLS' Executive Director, who also serves as one of its lawyers. The Free Legal Clinics are run by volunteer

lawyers and provide free legal services during preset appointment times. PBLS adapted its approach during the COVID-19 pandemic and turned the inperson appointments into telephone calls. This was appreciated and some clients even commented that telephone appointments are easier because they remove transportation and child care issues.

Romanow further explains "PBLS's Panel Program provides an opportunity for clients to be matched



Carly Romanow, Executive Director of Pro Bono Law Saskatchewan

with volunteer lawyers for more than one hour of free legal advice." Clients must first have received legal advice during a Free Legal Clinic. If the legal issue is very serious, or the client needs more assistance, their file may be referred to the PBLS office for the Panel Program. "As we work with volunteer lawyers we cannot guarantee that clients will be matched with

a lawyer. If a client is not matched with a volunteer lawyer, they are able to book another appointment at a Free Legal Clinic to continue to receive assistance," adds Romanow.

All this work is based on a strongly entrenched vision of the intrinsic value of a person and that the justice system should be accessible to everyone. To make all this happen without remuneration, PBLS must rely both on lawyers who care and want to give back, as well as financial support from external sources. The Law Foundation of Saskatchewan (LFS) has been PBLS' main funder since its creation in 2008 and has continued to fund its growth and expansion to serve more clients every year. Romanow expresses the importance of that support in human terms when she explains, "Without LFS' funding, thousands of Saskatchewan residents would not have access to a lawyer for legal advice," a statement supported by the 1,810 clients served through PBLS' Free Legal Clinics and the additional 90 clients who benefited from the Panel Program in 2019.

But isn't Legal Aid already offering the same services, you might ask? Romanow is of course well aware of that service but explains, "Our provincial legal aid organization will only cover individuals who live on social assistance and only in the areas of criminal law and some family law." All other low-income individuals facing legal issues would fall into a gaping hole where access to lawyers or legal advice is absent. This means that in areas such as evictions, refugee applications, human rights complaints, wrongful dismissals, wills and estates, most low-income individuals have no access to legal advice.

One does not need to look far to find a need for PBLS. It can be as common as someone living in low-income housing. PBLS represented several clients in those circumstances who were negatively affected by second-hand smoke in their building. It took several levels of adjudication for PBLS to obtain a ruling that made second-hand smoke an unacceptable living condition in multi-unit dwellings, something none of these residents could have achieved on their own. As a result, smoking has been banned in all government-funded low-income living units in Saskatchewan.

While the previous case improved the lives of many, PBLS often assists one individual at a time. For example, they stepped into the case of a single mother of three children, a woman who had no immigration status in Canada. She was completely financially dependent on her abusive partner because of her lack of immigration status. PBLS assisted in gaining her immigration status which allowed her to stay and work in Canada as well as apply for the child tax benefit. She was also assisted in her family law matter which granted her financial support from her partner.

Prison inmates can also find themselves in need of legal help as there is no legal assistance for inmates with institutional matters. They are not covered by government funded legal aid and private practitioners are inaccessible due to cost. In this reality, penal institutions can impose various forms of discipline on inmates who are either on remand awaiting trial or sentenced. These disciplines have serious consequence for these inmates such as cell placement, security rating or solitary confinement. In addition to any help it provides inmates dealing with these disciplinary actions, PBLS assists them with receiving medical care, access to family and positive supports, and redress for excessive force or solitary confinement placement. PBLS is not the only group in this arena, but Romanow remarks, "We work closely with the Elizabeth Fry of Saskatchewan, the John Howard Society of Saskatchewan and CLASSIC in Saskatoon to ensure that there is no overlap between our services."

This direly needed access to justice is what the Law Foundation is mandated to improve, something Carly Romanow gratefully expresses when she says, "LFS funding is essential to creating a more accessible legal system in Saskatchewan. Without LFS funds, programs like PBLS would not exist or would be drastically smaller and less impactful."

The Law Foundation is proud to support the work of Pro Bono Law of Saskatchewan, and thereby bring to those whose need for legal advice or representation might not otherwise be met.

Strategic Grant Awarded to e-Justice Initiative

The Law Foundation does not usually provide grants to the Provincial Government, but an exception was approved to support and accelerate the development of online resources that will undoubtedly provide easier access to justice for Saskatchewan residents and businesses.

and (if necessary) adjudication online and outside a traditional physical setting.

Currently the e-Justice Initiative is focusing on two projects: Online dispute resolution and an online legal information portal.



Overall, most individuals who need to use the justice system, encounter two challenging barriers:

- the complexity of the legal language and of the process they need to follow; and,
- the substantial amount of time that will be required to go through that process.

The e-Justice Initiative, a project of the Ministry of Justice and Attorney General, which was approved to receive an LFS grant, aims to provide the public with access to free legal information, self-help tools, and early collaborative dispute resolution through a variety of methods including negotiation, facilitation

Online Dispute Resolution

The online dispute resolution (ODR) will allow the public to resolve disputes from their home or office without having to travel to a courthouse, take time off work or arrange childcare.

The addition of ODR to the existing options of court and administrative justice will require two enabling technologies:

• Legal Guided Pathways (LGP) will provide tailored plain language legal information to citizens, as well as self-help tools to aid people in understanding their legal problem(s) and empowering them to take informed next steps to resolve their dispute.

• Dispute Resolution Suite is a dispute management system that supports all stages of dispute resolution including online intake, negotiation/mediation, and adjudication. It will focus on two main types of disputes: (1) Provincial offences (this includes all electronic traffic tickets issued by police, equivalent to almost 75% of all provincial offence tickets issued each year) and (2) consumer disputes, something that will greatly expedite the process and lessen consumer frustration which causes them to sometimes go to court proceedings prematurely.

Legal Information Portal

While several organizations/sources (PLEA, the Law Society, government) already provided legal information on numerous topics, there was a need for a centralized online legal information portal.

The Legal Information Portal Project is in the discovery phase and as such, a timeline for the project has not yet been developed. However, consultation work is underway with stakeholders involved in the provincial Self Represented Litigants (SRL) Working Group to determine the appropriate areas of law to include and the structure/model of the portal.

The LFS Grant

The Ministry of Justice and Attorney General applied for a \$450,000 grant to cover the costs of a Guided Pathway Legal Information Coordinator's 3-year term. To lead this initiative the ministry sought to hire a senior lawyer with experience in legal information coordination and concluded its search by hiring Melanie Hodges Neufeld, previously Director of



Melanie Hodges Neufeld

Legal Resources, Outreach and Access with the Law Society of Saskatchewan. Called to the Bar in 2008, Melanie has a Bachelor of Laws and Master of Laws from the University of Saskatchewan. She has extensive experience in developing legal resources, such as the Queen's Bench Rules Annotated, and in access to justice initiatives, such as the Saskatchewan Access to Legal Information (SALI) project. Melanie not only sees the important role LFS played in creating this much needed resource but also personally expresses, "I am proud to be part of a project that will greatly benefit the people of Saskatchewan."

Already hard at work, Melanie has targeted the first quarter of 2021 for the Legal Guided Pathway to go live.



Changes in Legislation

The Foundation is governed by *The Legal Profession Act*, 1990 (Saskatchewan). During the year, several requested changes to this Act will impact the Foundation going forward.

Effective January 1, 2020, the Foundation gained the ability to invest in other than "at interest" investments. This means the Foundation can invest in bond funds and equities which have a higher risk profile, but over time enhance investment returns.



On March 16, 2020, several governance changes came into effect. Those changes removed the requirement that the Law Society of Saskatchewan (LSS or Society) appoint the Chair of the Foundation and our external audit firm. These functions are now the responsibility of the Foundation's Board.

The governance changes also modified certain aspects of the appointment process to our board. The board appointments remain unchanged with five appointed by the LSS and four appointed by Saskatchewan's Department of Justice (Justice). However, the LSS appointments are no longer required to be members of the Society and no longer the only eligible candidates for appointment to the Chair position. Similarly, the Justice appointments no longer require the Minister of Justice to appoint a designate by statute. Overall, the changes provide an opportunity to diversify the skillsets and diversity of the board and make all board members eligible to provide leadership as Chair.

Board of Directors Passing of the Torch

On November 19, 2020, **Melanie Baldwin, Q.C.**, was appointed as a Judge of Her Majesty's Court of Queen's Bench for Saskatchewan.

For Melanie, this meant she would leave her responsibilities as Registrar and Executive Legal Officer for the Court of Appeal of Saskatchewan in Regina. But it also meant the loss of a strong leader as Chair for the Law Foundation Board of Directors. As in all such circumstances, both sides can look back and appreciate the contribution these years have made. From Melanie's perspective: "My work with the Law Foundation of Saskatchewan and its grantees brought me into contact with like-minded organizations and individuals all striving for the same goal - to inspire and support accessible justice for all. I have learned a great deal, both personally and professionally, from my interactions with LFS members and staff and the people behind the organizations funded by the LFS."

The Foundation is truly grateful for the impact she had on making justice accessible to all, and wishes her the very best in the next chapter of her career!

Tom Schonhoffer Q.C., who was serving as Vice-Chair on LFS' Board of Directors, is replacing Melanie as Chair.

Conscious it might sound like a cliché upon receiving this new appointment, Tom reflected, "It truly is my privilege be on the Law Foundation Board. Since the Foundation was established in 1971 it has distributed over 94 million dollars in support of legal education, legal information (libraires), law reform and legal aid. These good works meaningfully advance the rule of law and the administration of justice in the public interest."

Based on Tom's past contribution, the Foundation can be confident he will, in concert with all board members, lead its activities with caution into the emerging issues of 2021 and beyond.



Strategic Initiative for Access to Justice Coordinator

After four years of granted support from the Law Foundation, the College of Law at the University of Saskatchewan applied for a second 5-year grant. This major strategic initiative is one which LFS is proud to support again by funding the role of its Access to Justice Coordinator, currently held by Brea Lowenberger.

The first four years saw substantial achievements under Lowenberger's energetic leadership, starting with the creation of an access to justice incubator or research centre which focused on access to legal services, dispute resolution and systemic justice. Since then, the role of the Access to Justice Coordinator has evolved along with the increasing number of projects under the auspices of the Center for Research, Evaluation, and Action Towards Equal Justice, or CREATE Justice for short, which was established in response to both national calls to action and a local recommendation by participants at the 2015 Dean's Forum on Dispute Resolution and Access to Justice.

College of Law Dean Martin Phillipson, Access to Justice Coordinator and Dean's Forum course instructor Brea Lowenberger, and students from the seventh meeting of the Dean's Forum, held on March 13, 2019.

Photo courtesy USask College of Law.

This organically evolved alongside what is now known as the SK A2J Network, whose members support, as appropriate, research and writing, coordinate activities, and implement recommendations from the Dean's Forum and Network members.



All these developments have combined into a synergetic force whose effectiveness Lowenberger describes, "The most meaningful past achievement I have witnessed is how the co-building of collaborative infrastructures such as the Dean's Forum initiative, the SK A2J Network, and CREATE Justice has led to access to justice program development at CREATE Justice, and contributed to justice sector change within and among a variety of organizations."

The original purpose of the overall project responded to the acknowledgment by Honourable Beverley McLachlin, Former Supreme Court of Canada Chief Justice, who stated "Like every other human institutional endeavour, justice is an ongoing process. It is never done, never fully achieved. Each decade,

each year, each month, indeed each day, brings new challenges." Improving justice and access to legal services and information is an ongoing and ever-evolving endeavour. The LFS grant intends to support such ongoing and evolving work through funding the Access to Justice Coordinator and now CREATE Justice Director position. Access to justice is a multifaceted issue, with glaring evidence that many people of Saskatchewan are not having their needs met, the most vulnerable members of our society facing the biggest burden, given their disadvantaged socioeconomic backgrounds.

The renewed funding for the Coordinator/
Director position is being extended to continue
the coordination and establishment of actionoriented projects through *CREATE Justice*.
Specifically, the goal is to continue implementing
new and existing projects that will have an
impact in Saskatchewan, projects such as:

 The Saskatchewan Access to Legal Information Project,



Brea Lowenberger, Coordinator / Director of CREATE Justice.

- Provincial and National Justice Metrics Projects,
- Emerging projects such as the Saskatchewan Medical-Legal Partnership Project, and
- The Saskatchewan Legal Coaching and Unbundling Pilot Project.

Lowenberger adds, "The next year (2021) will involve, thanks to the support of the Law Foundation of Saskatchewan and the Law Society of Saskatchewan, launching the Saskatchewan Legal Needs

Assessment to better understand the current access to justice issues in Saskatchewan. The assessment, through surveying both lawyers and near-to-legal and social service providers will be a key piece in informing the 'next generation priorities' and initiatives at CREATE Justice, and in coordinating the SK A2J Network."

In perfect harmony with the Law Foundation's Vision and Mandate

The focus of the Access to Justice Coordinator and CREATE Justice are in perfect harmony with the Law Foundation's Vision and Mandate:

With respect to legal education, the Coordinator will continue collaborating with the Network, the Dean's Forum, justice community stakeholders, and the community at large to make the law and justice information and services more accessible in Saskatchewan through events and actions at the College of Law and through pertinent Continuing Professional Development events for lawyers.

With respect to legal research, the Coordinator will focus on ongoing collaboration with the Network, the Dean's Forum, justice community stakeholders, and the community at large to complete any necessary research to advance access to justice in the province.

With respect to legal aid, the essence of the Coordinator position is to assist the Network and the justice sector at large in coordinating initiatives that will better facilitate the public's access to the justice system regardless of financial means. In addition, the Chief Executive Officer of Legal Aid Saskatchewan is a standing member of the existing Dean's Forum and a member of the Network.

With respect to law reform, the Coordinator will collaborate with the Network, the Dean's Forum, justice community stakeholders, and the community at large on initiatives that promote reform on the topic of access to justice.

Lowenberger adds, "Thanks to the support of the Law Foundation, over the last 4-5 years I have been able to focus on implementing projects through CREATE Justice that required a level of collaboration and interdisciplinary connection, that no one organization could have achieved on its own."

LFS is proud of the impact it can have through this strategic initiative.



Dean Martin Phillipson addresses attendees at the Medical-Legal Partnerships conference in Saskatchewan.

Photo courtesy USask College of Law.

Management's Responsibility for Financial Statements

The accompanying financial statements of the Law Foundation of Saskatchewan have been prepared by the Foundation's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Foundation's Board has delegated certain responsibilities to the Audit & Investment Committee, including the responsibility for reviewing the annual financial statements and meeting with management and external auditors on matters relating to the financial reporting process and the Foundation's system of controls.

The Foundation's Board has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, Deloitte LLP, and their report is presented separately.

Chair of the Audit & Investment Committee

dest Watt

Executive Director

December 7, 2020

Deloitte.

Independent Auditor's Report

To the Board of Directors of the Law Foundation of Saskatchewan

Deloitte LLP 2103 - 11th Avenue Suite 900 Bank of Montreal Building Regina, SK S4P 3Z8

Tel: 306-565-5200 Fax: 306-757-4753 www.deloitte.ca

Opinion

We have audited the financial statements of the Law Foundation of Saskatchewan (the "Foundation"), which comprise the statement of financial position as at June 30, 2020, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at June 30, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance
with Canadian accounting standards for not-for-profit organizations, and for such internal control as
management determines is necessary to enable the preparation of financial statements that are free from
material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the fiancial 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. Resonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report

(continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 to the purpose of expressing an opinion on the
 effectiveness of the Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Professional Accountants

Deloitte LLP

December 7, 2020 Regina, Saskatchewan

Statement of Financial Position

As at June 30, 2020 (with comparative figures for June 30, 2019)

		2020	2019
Assets			
Current assets:			
Cash	\$	381,205	\$ 371,480
Interest receivable from lawyers' mixed trust accounts		333,190	722,480
Accrued investment interest receivable		189,452	147,000
Investments (Note "3")		6,013,714	4,996,080
		6,917,561	6,237,040
Investments (Note "3")		11,661,174	10,348,052
	\$	18,578,735	\$ 16,585,092
Liabilities and Net Assets Current liabilities:			
Accounts payable	\$	13,173	\$ 20,860
Grants payable	·	2,646,155	2,032,940
. ,		2,659,328	2,053,800
Grants payable - due after one year		859,950	177,100
		3,519,278	2,230,900
Grant stabilization reserve		10,300,000	8,500,000
Strategic initiatives reserve		4,718,640	5,779,940
Unallocated surplus		40,817	74,252
		15,059,457	14,354,192
	\$	18,578,735	\$ 16,585,092

See accompanying notes to the financial statements

On behalf of the Foundation:

To SAMA

Chair

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Treasurer

Statement of Changes in Net Assets For the year ended June 30, 2020

(with comparative figures for the year ended June 30, 2019)

		2020			
	Grant stabilization reserve	Strategic initiatives reserve	Unallocated surplus	Total	
Balance - beginning of year	\$ 8,500,000	\$5,779,940	\$ 74,252	\$14,354,192	
Strategic initiative grant expense (Schedule "1")	-	(1,061,300)	1,061,300	-	
Increase in grant stabilization reserve	1,800,000	-	(1,800,000)	-	
Excess of revenue over expenses and grants for the year	-	-	705,265	705,265	
Balance - end of year	\$10,300,000	\$4,718,640	\$ 40,817	\$15,059,457	

		20	19	
	Grant stabilization reserve	Strategic initiatives reserve	Unallocated surplus	Total
Balance - beginning of year	\$ 7,300,000	\$3,867,980	\$ 12,114	\$11,180,094
Strategic initiative grant recovery (Schedule "2")	-	11,960	(11,960)	-
Increase in grant stabilization reserve	1,200,000	-	(1,200,000)	-
Increase in strategic initiatives reserve	-	1,900,000	(1,900,000)	-
Excess of revenue over expenses and grants for the year		-	3,174,098	3,174,098
Balance - end of year	\$ 8,500,000	\$5,779,940	\$ 74,252	\$14,354,192

See accompanying notes to the financial statements

Statement of Operations For the year ended June 30, 2020

For the year ended June 30, 2020 (with comparative figures for the year ended June 30, 2019)

	2020	2019
Revenue		
Interest from lawyers' mixed trust accounts	\$ 5,457,597	\$ 6,738,539
Investment revenue	409,290	314,460
Unclaimed lawyers' mixed trust accounts	 19,020	41,943
	5,885,907	7,094,942
Expenses		
Accounting and administration support	65,213	54,513
General administration	18,884	15,444
Management services and expenses	129,908	123,216
Board meetings	38,620	43,021
Professional fees	 12,085	11,847
	 264,710	248,041
Excess of revenue over expenses before grants		
authorized	5,621,197	6,846,901
Grants authorized (Schedule "1")	 (4,917,200)	(3,704,800)
Excess of revenue over expenses		
before grants recovered	703,997	3,142,101
Grants recovered (Schedule "2")	 1,268	31,997
Excess of revenue over expenses		
and grants for the year	\$ 705,265	\$ 3,174,098

See accompanying notes to the financial statements

Statement of Cash Flows

For the year ended June 30, 2020 (with comparative figures for the year ended June 30, 2019)

	2020	2019
Cash provided by (used in) operating activities: Excess of revenue over expenses and grants for the year	\$ 705,265	\$ 3,174,098
Items not involving cash: Change in non-cash working capital items: Accounts receivable Interest receivable from lawyers' mixed trust accounts Accrued investment interest receivable Accounts payable Grants payable	389,290 (42,452) (7,687) 1,296,065 2,340,481	5,502 (180,625) (48,000) (933) 341,035 3,291,077
Cash provided by (used in) investing activities: Purchases of investments Proceeds on disposal and maturity of investments	(9,502,704) 7,171,948	(7,941,660) 4,144,178
Increase (decrease) in cash Cash position - beginning of year	(2,330,756) 9,725 371,480	(3,797,482) (506,405) 877,885
Cash position - end of year	\$ 381,205	\$ 371,480

See accompanying notes to the financial statements

Notes to the Financial Statements

For the year ended June 30, 2020 (with comparative figures for the year ended June 30, 2019)

1. Nature of the Foundation

The Law Foundation of Saskatchewan (the "Foundation") is established under *The Legal Profession Act, 1990* of Saskatchewan. The purpose of the Foundation is to establish and maintain a fund to be used for the purposes of legal education, legal research, legal aid, law libraries and law reform. The Foundation is exempt from income taxes.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

Use of estimates

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

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Interest revenue from lawyers' mixed trust accounts and investment revenue is recorded in the period in which it is received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Unclaimed lawyers' mixed trust funds and miscellaneous revenues are recorded in the period received.

Grants

Grants are expensed at the time they are authorized by the Foundation. Where grants are expected to be disbursed beyond a one year time frame a portion of the grant is classified as a long term payable. When sufficient evidence is obtained indicating that a portion of a grant will be returned to the Foundation the amount of the recovery is recorded in the period in which the recovery is reasonably estimated and collection is reasonably assured.

Grant stabilization reserve

The Foundation has a goal of insulating continuing programs from fluctuation in the Foundation's revenue that result from changes in the prime rate and the balances in lawyers' mixed trust accounts that generate revenue to the Foundation. To accomplish this goal the Foundation maintains a reserve that functions as a stabilization fund.

Strategic initiatives reserve

The Foundation periodically makes one time grants for significant access to justice projects. This reserve has been established by the Board to enhance its capacity to meet its mandate when such projects arise.

Financial instruments - recognition and measurement

Financial assets and financial liabilities are recorded on the statement of financial position when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions.

Financial assets and liabilities of the Foundation, except for equity instruments, are subsequently measured at amortized cost adjusted by premiums and discounts, which are amortized over the expected life of the instrument.

Measurement of equity instruments in subsequent periods is at fair value, which is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair values of equity instruments are recognized in excess of revenues over expenses. The Foundation had no equity instruments at year end.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from sale of the financial asset. Such impairments can be subsequently reversed if the value improves.

Notes to the Financial Statements

For the year ended June 30, 2020 (with comparative figures for the year ended June 30, 2019)

3. Investments

	2020		2019)	
	Cost	: Yie	ld	Cost	Yield
Current:					
High interest savings account	\$ 895,9	994 0.2	5% \$	1,133,343	1.60%
Investments maturing within one year	5,117,7	720 2.2	2%	3,862,737	2.38%
	6,013,7	714		4,996,080	
Long term:					
Corporate bonds					
2-3 years	1,817,6	319 2.3	2%	1,008,620	2.93%
4-7 years	2,533,4	102 2.6	0%	2,849,148	2.76%
Guaranteed investment certificates					
2-3 years	4,149,0	030 2.2	1%	4,971,983	2.27%
4-7 years	3,160,0	000 2.0	9%	1,517,190	2.86%
Credit Union member equity	1,	123		1,111	
	11,661,	174	1	10,348,052	
	\$ 17,674,8	388	\$ 1	15,344,132	

The Foundation's investments have a fair value at year end of \$17,823,900 (2019 - \$15,422,200). The fair value of the high interest savings account is equal to cost at year end.

4. Financial risk management

The Foundation has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant financial risks to which the Foundation is exposed are:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk on amounts received from financial institutions which forward interest earned from mixed trust accounts of the lawyers of Saskatchewan to the Foundation. The Foundation does not have a significant exposure to any individual financial institution and has adopted policies and procedures to ensure completeness of revenues forwarded to the Foundation.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its

investments and the interest it earns from mixed trust accounts of the lawyers in Saskatchewan. The Foundation holds investments of varying maturities to manage the interest rate risk associated with investments.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation believes it has adequate resources to meet its obligations.

5. Impact of COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic for the COVID-19 virus. The Foundation is following health advisories and mandatory requirements from local, provincial and national health and government organizations. Since the pandemic was declared interest rates have declined, negatively impacting the revenue the Foundation earns on lawyers' mixed trust accounts as well as the revenue the Foundation can earn on its investments

Grants Authorized

SCHEDULE 1

For the year ended June 30, 2020 (with comparative figures for the year ended June 30, 2019)

	2020		2019
Law Society of Saskatchewan			
Legal Resources \$	700,000	\$	700,000
Bar Course CPLED	47,300	•	69,600
College of Law at the University of Saskatchewan	,		,
Access to Justice Coordinator - CREATE *	611,300		_
Exchange Program	50,000		_
Graduate Students	160,000		160,000
CREATE Justice - Legal Data Scan	42,900		, -
External Fellowship	-		50,000
Indigenous Law Centre	-		150,000
Public Legal Education Association of Saskatchewan	706,000		663,000
Pro Bono Law Saskatchewan	500,000		450,000
Elizabeth Fry Society Saskatchewan	450,000		450,000
Community Legal Assistance Services For Saskatoon			
Inner City Inc. (CLASSIC)	500,000		450,000
Law Reform Commission of Saskatchewan	112,000		92,000
John Howard Society of Saskatchewan	113,200		100,000
AJEFS Association des juristes d'expression française			
de la Saskatchewan	55,800		-
Can LII - Digitization Program	89,700		-
Federation of Saskatchewan Indian Nations - Conference	20,000		-
Legal Aid - LAIN 2.1	250,150		-
Level Inc.	15,000		10,000
Micah Mission	25,000		-
Ministry of Justice E-Justice *	450,000		-
National Action Committee Access To Justice - Saskatchewan Pro	ject 15,000		-
Pro Bono Students Canada	3,850		6,400
College of Law & Community Legal Assistance Services			
for Saskatchewan Inner City Inc - MOU project	-		10,000
Community Legal Assistance Services For Saskatoon Inner			
City Inc Handbook	-		17,400
Envision Counselling and Support Centre Inc.	-		89,400
Provincial Association of Transition Houses and Services			
of Saskatchewan	-		150,000
Saskatchewan Elocution & Debate Association	-		5,000
STR8 Up Inc.	-		82,000
\$	4,917,200	\$	3,704,800
* Objects and a destriction amount			

^{*} Strategic initiative grant

Grants Recovered

SCHEDULE 2

For the year ended June 30, 2020 (with comparative figures for the year ended June 30, 2019)

	2020	2019
Pro Bono Students Canada	\$ 1,268	\$ -
Court of Appeal Centenary History	-	20,000
College of Law - Innovation Coordinator *	-	11,960
Law Society Limitations Manual	 -	37
	\$ 1,268	\$ 31,997

^{*} Strategic initiative grant



Contact

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