



Law Foundation of Nunavut

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LAW FOUNDATION
OF NUNAVUT

ANNUAL REPORT
2006

APRIL 30, 2007

INTRODUCTION

Inception The Law Foundation of Nunavut (the “Foundation”) came into being on or about January 12, 2001 upon the transfer of the Nunavut share of capital assets of the Law Foundation of the Northwest Territories.

Authority The Law Foundation of Nunavut derives its legal authority from Part VII of the Legal Professions Act, RSNWT 1988, c. L-2, as amended by Statutes enacted under section 76.05 of the Nunavut Act, SNWT 1998, c.34 (the “Act”).

Directors Pursuant to section 52 of the Act the affairs of the Foundation are governed by a Board of Directors to be composed of four persons appointed by the Law Society of Nunavut (the “Society”) from among its members and one person who is not a member to be appointed by the Commissioner of Nunavut. Under the Act the Directors have the authority to decide all aspects of its governance and are required annually to report on their activities to the Society.

The Directors of the Foundation at February 28, 2007 were:

Appointed by the Society:	Barth G. Curley, Iqaluit - Chair Thomas Z. Druyan, Iqaluit Christopher D. Debicki, Iqaluit Patrick T. Smith, Gjoa Haven
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Appointed by the Commissioner:	Elisapi Davidee-Aningmiuq, Iqaluit
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Patrick Smith resigned from the Board effective March 23, 2007.

Auditors The auditors of the Foundation are MacKay, Landau, Chartered Accountants, Iqaluit. The auditor’s statements for Foundation operations to March 31, 2006 form a part of this report.

Mandate As in other jurisdictions the Foundation exists to receive interest accruing on monies held in trust by lawyers carrying on the practice of law in the Territory and thereby to establish and maintain a fund to be used to make grants for the purpose of encouraging and supporting projects and initiatives that will serve to advance greater awareness of the law and promote greater access to justice in Nunavut.

Pursuant to section 57(2) of the Act all members of the Society are legally required to maintain an interest-bearing trust account in a bank which is to hold monies held in trust for clients related to legal transactions in this Territory and to instruct the bank to remit interest earned on such trust monies to the Foundation. Currently this is not being done. As an alternative the Society collects from all of its members a special levy which represents the source of the Foundations revenues at the present time.

Contact Persons interested in information about the affairs of the Foundation or about applying for a grant from the Foundation may direct enquiries as follows:

Law Foundation of Nunavut
P. O. Box 69
Iqaluit, NU, X0A 0H0
Attention: Barth G. Curley – Chair
Tel: 867-979-2330
Fax: 867-979-2333
E-mail: bcurley@gov.nu.ca

Applications are brought before the Board for review and decision. The Board meets regularly throughout the year and applications are accepted on an ongoing basis.

REPORT FROM THE CHAIR

During its incipient years the Foundation faced a host of difficult issues. There were insufficient resources available to devote the time required for effective administration. Most of the legal work being done in Nunavut was in the hands of out-of-Territory lawyers who operated trust accounts elsewhere from which no interest income could be derived. The Foundation received capital assets from the NWT Law Foundation of approximately \$160,000 but interest rates were meager and insufficient to provide interest income. Revenues were insufficient to fund any grants or to permit the hiring of dedicated administrative staff. The Board of Directors assessed the situation and in 2003 made a decision to suspend Foundation operations in the hope that perhaps capital assets might grow so as to provide some necessary revenue.

The hiatus continued for three years during which no Directors were in place and governance was in limbo. In November 2006 the Executive of the Society sought to resurrect the Foundation's activities and made the appointment of four members to the Board. The lay member was appointed on February 19, 2007.

The challenges to the new Directors have been somewhat less daunting than those which faced their predecessors. We have the benefit of greater capital assets which have grown by more than \$20,000 realizing to some extent the objective of the former Directors. We have been aided by the accumulation to our credit of the special levies imposed on all members over the last two years. We have thus acquired the financial means to be able to honour our mandate by providing some grants on a modest scale.

While the financial situation may have improved somewhat the challenge to effective governance remained. Most of the time over the last six months has been devoted to accumulating and rehabilitating neglected records, regularizing the Foundation's relationship with its bankers and investment counsellors, developing and putting in place an investment policy that would serve to preserve the Foundation's capital position and provide resources for grants at a rate of approximately \$10,000 *per annum*, bringing all of our correspondents up to date with the Foundation's new governance and developing strategies for raising the Foundations profile within the community to encourage applications for grants.

We have for the most part met the governance challenges and are now at the point where we can begin to devote our energies to promoting and giving. The Foundation received four applications for grants but none fell within the parameters of the Foundation's grant policy. That policy was developed by our predecessors but has

been adopted by the current Board. An excerpt from that policy is set out following my report.

There are a number of initiatives now being developed. We intend in the near term to promote awareness in the community of our presence and our mandate by way of radio spots and posters placed in strategic locations which would include schools and hamlet offices in all communities. We will in concert with that be approaching the high schools with the idea of interactive educational programs and an annual scholarship for students wishing to pursue legal education at any level. There are a number of community support groups deserving of our support with which we will seek contact in the coming months. We are hopeful that our efforts will enable us to fulfill our mandate at least to a modest degree.

Set out on the following pages are the Foundation's Financial Statements for the period ended March 31, 2006.

I am honoured to serve as Chair to this Foundation. I am grateful to have the able and committed assistance of the other Directors and I express my thanks to them. We look forward to including in our next annual report a long list of worthy and deserving recipients of grants from this Foundation.

Respectfully

Barth G. Curley
Chair

EXCERPT OF THE FOUNDATION'S GRANT CRITERIA

To be acceptable for financial support projects or initiatives should be of benefit generally to the public of Nunavut and meet one or more of the following criteria:

- improve the delivery of legal services to the residents of Nunavut;
- contribute to the delivery of legal services to the residents of Nunavut;
- promote the use of Inuit Qaujimajatuqangit in the development of law in Nunavut;
- preserve the heritage and tradition of law in Nunavut;
- provide training, education and services to persons whose duties are to provide legal services or support to the public;
- be of historical significance to the development of law in Nunavut.

NUNAVUT LAW FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2006

**NUNAVUT LAW FOUNDATION
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MARCH 31, 2006**

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NUNAVUT LAW FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2006

	<u>2006</u>	<u>2005</u>
REVENUES		
Interest earned on trust accounts	\$ 0	\$ 416
Interest earned on investments	3,999	2,953
Member levies	<u>19,000</u>	<u>27,400</u>
	<u>22,999</u>	<u>30,769</u>
EXPENSES		
Interest and bank charges	61	95
Professional fees	<u>1,605</u>	<u>1,498</u>
	<u>1,666</u>	<u>1,593</u>
EXCESS REVENUES	<u>\$ 21,333</u>	<u>\$ 29,176</u>

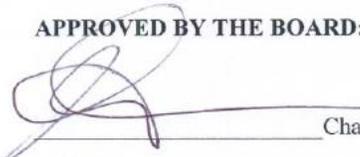
NUNAVUT LAW FOUNDATION
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED MARCH 31, 2006

	<u>2006</u>	<u>2005</u>
BALANCE, OPENING	\$ 198,832	\$ 169,656
Excess revenues	<u>21,333</u>	<u>29,176</u>
BALANCE, CLOSING	<u>\$ 220,165</u>	<u>\$ 198,832</u>

**NUNAVUT LAW FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2006**

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 3,496	\$ 3,557
Temporary investments (Note 2)	<u>176,582</u>	<u>172,583</u>
	180,078	176,140
DUE FROM LAW SOCIETY OF NUNAVUT	<u>41,692</u>	<u>24,297</u>
	<u>\$ 221,770</u>	<u>\$ 200,437</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 1,605	\$ 1,605
<u>MEMBERS' EQUITY</u>		
UNRESTRICTED FUND	<u>220,165</u>	<u>198,832</u>
	<u>\$ 221,770</u>	<u>\$ 200,437</u>

APPROVED BY THE BOARD:

 _____ Chairperson	 _____ Director
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**NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

1. NATURE OF THE ORGANIZATION

The Nunavut Law Foundation is incorporated under the *Legal Profession Act* of Nunavut. The purpose of the Foundation is to conduct research, establish law libraries and contribute to the legal education of members and the people of Nunavut.

The Foundation is a not-for-profit organization and is exempt from income tax under Sec. 149(1)(l) of the *Income Tax Act* (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for the year involves the use of estimates and approximations that have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in the Foundation's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Fund Accounting

The Unrestricted Fund accounts for the Foundation's general operating and administrative activities.

(b) Revenue Recognition

Interest and investment income and member levies are recognized as revenue in the period in which they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

(c) Temporary Investments

Temporary investments consist of a Canadian treasury bill fund recorded at fair value.

(d) Financial Instruments

The Foundation's financial instruments consist of cash, temporary investments, accounts payable and accrued liabilities, and due to/from Law Society of Nunavut. It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

**NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006**

3. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented as it would not provide any additional meaningful information.