



ᐱᐸᐸᐸᐸᐸᐸᐸᐸᐸᐸ ᐸᐸᐸᐸᐸᐸᐸᐸᐸᐸᐸᐸ ᐸᐸᐸᐸᐸᐸᐸᐸᐸᐸᐸᐸ  
NUNAVUT LAW FOUNDATION

# ANNUAL REPORT

For the year ending December 31, 2008

## *A) INTRODUCTION*

*Inception* The Nunavut Law Foundation (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 Foundation 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 January 24, 2009 were:

**Appointed by the Law Society:**

**Barth G. Curley, Iqaluit - Chair  
Thomas Druyan, Iqaluit  
Christopher Debicki, Iqaluit  
Sandra Omik, Iqaluit**

**Appointed by the Commissioner:**

**Elisapi Davidee-Aningmiuq, Iqaluit**

Barth G. Curley resigned as a member and Chair of the Board effective January 25, 2009, and Thomas Druyan was appointed as Chair

*Auditors* The auditors of the Foundation are MacKay, Landau, Chartered Accountants, Iqaluit.

*Administration* In keeping with the modest size of the Foundation’s budget, the Foundation operates without an Executive or administrative officer. Accordingly the administrative affairs are being managed by the Board of Directors. The Board meets regularly throughout the year and applications for grants are reviewed on an ongoing basis.

*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:

Nunavut Law Foundation  
P. O. Box 69  
Iqaluit, NU, X0A 0H0  
Attention: Thomas Druyan  
Tel: 867-979-6333  
Fax: 867-979-6189  
E-mail: [tdruyan@gov.nu.ca](mailto:tdruyan@gov.nu.ca)

*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 generally 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 being done by only one Nunavut practitioner. As a necessary alternative at this time the Society collects from all of its members a special levy which represents the major source of the Foundations revenues at the present time.

The Foundation's legislated mandate is to use the interest and capital from its fund to:

- i) conduct research into and recommend reform of law and the administration of justice,
- ii) establish, maintain and operate law libraries,
- iii) contribute to the legal education and knowledge of members and of the people of Nunavut and provide programs and facilities for that purpose,
- iv) provide assistance to legal aid programs and programs of a similar nature,  
and
- v) assist all other endeavours that, in the opinion of the Board, are incidental or conducive to the attainment of the foregoing objects.

## *B) REPORT FROM THE CHAIR*

This is my third annual report as Chair of the Nunavut Law Foundation but it is regrettably my last. It was necessary that I resign from the Board in light of my departure from the Territory at the end of January 2009.

Over the last three years we have succeeded in establishing the Foundation as an administratively viable and effective organization capable of fulfilling its mandate and it has taken its place among the community of law foundations in Canada. Our resources are modest and we have continued to carefully monitor and manage those resources so that we can continue for the foreseeable future to meet our modest objectives. In light of deteriorating economic conditions, the Board took steps during the year to adjust the Foundation's investments to reduce the risk from market volatility. The audited financial statements for the fiscal year are set out in Part D of this Annual Report.

The Board continues to be concerned about the loss of interest income on the millions of dollars of legal work being done in the Territory every year by non-resident lawyers who place those monies in southern trust accounts where interest is remitted to southern law foundations. In September of this year I attended on the Foundation's behalf in Yellowknife the Annual General Meeting of the Association of Canadian Law Foundations of which the Nunavut Law Foundation is now an active member. I found it to have been of great benefit not only as a means to reintroduce us to our sister organizations, but also as a forum to raise associates the trust account interest issue. To my considerable surprise, I received much expression of support for our efforts to deal with it. The great resistance from the non-resident bar to earlier efforts to deal with this matter had been predicated to an extent on the belief that southern foundations would resist.

We are pleased and proud this year to have been able to launch our *Lucien Ukaliannuk Award for Studies in Law* which provides awards of up to \$10,000 in a year to students wishing to pursue law-related studies and who qualify on the basis of need and a commitment to Nunavut and to their studies. Awards were made in 2008 to two worthy students who are either attending law school or attending university for law-related studies in southern Canada.

The Board continues to struggle to raise the Foundation's profile in the community. This is always a challenge given the size of the Territory. That is to some extent reflected in the level of grants made in the year which was below the level authorized by the Board.

We were pleased to welcome to the Board Sandra Omik as our newest member appointed to fill a long standing vacancy and bring our numbers up to legislated requirements. Nunavut is home to Sandra. She was one of the Akitsiraq Law Program participants and is now a lawyer working for Nunavut Tunngavik Inc in Iqaluit. She will bring to the table her legal training and her cultural awareness.

I have been honoured to be able to sit on the Board of this Foundation and to serve as its Chair for the last three years. It is with regret that I must withdraw but I am pleased that I am leaving an organization that arose from the ashes and appears to have a promising future.

Respectfully

Barth G. Curley  
Chair

C) *GRANTS MADE*

Grants made during the calendar year are as follows:

1) <i>Law Library</i> (for new computer)	\$ 2,156.00
2) Lucien Ukaliannuk Award	\$10,000.00
3) Lucien Ukaliannuk Award	\$ 2,500.00
Total:	<u>\$ 14,656.00</u>

*D) FINANCIAL STATEMENTS*

**NUNAVUT LAW FOUNDATION  
FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NUNAVUT LAW FOUNDATION  
INDEX  
DECEMBER 31, 2008**

	<b><u>Page</u></b>
<b>AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Operations	2
Statement of Changes in Members' Equity	3
Statement of Financial Position	4
Notes to the Financial Statements	5 - 6



**NUNAVUT LAW FOUNDATION**  
**STATEMENT OF OPERATIONS**  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>		
Member levies	\$ 24,800	\$ 27,100
Interest earned on investments	5,158	5,107
Dividends earned on investments	0	1,532
Realized loss on sale of investments	(7,194)	(2,987)
Unrealized loss on investments	(22,822)	0
Foreign currency gain (loss)	0	(476)
Expense recoveries and other income	<u>9,231</u>	<u>0</u>
	<u>9,173</u>	<u>30,276</u>
<b>EXPENSES</b>		
Advertising and promotion	3,689	1,147
Grants	12,500	24,500
Interest and bank charges	70	101
Computer equipment	2,156	0
Office	512	282
Professional fees	1,638	6,151
Travel	<u>2,953</u>	<u>0</u>
	<u>23,518</u>	<u>32,181</u>
<b>EXCESS EXPENSES</b>	<u>\$ (14,345)</u>	<u>\$ (1,905)</u>

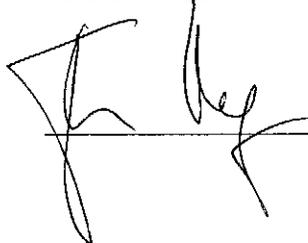
**NUNAVUT LAW FOUNDATION**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>2008</u>	<u>2007</u>
<b>BALANCE, OPENING</b>	\$ 239,842	\$ 241,747
Excess expenses	(14,345)	(1,905)
Change in fair value of financial assets held for trading as at January 1, 2008	<u>2,960</u>	<u>0</u>
<b>BALANCE, CLOSING</b>	<u>\$ 228,457</u>	<u>\$ 239,842</u>

**NUNAVUT LAW FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
<b><u>ASSETS</u></b>		
<b>CURRENT</b>		
Cash	\$ 11,829	\$ 16,973
Temporary investments (Note 2)	217,178	224,643
Accounts receivable	0	9,034
Due from Law Society of Nunavut	<u>2,450</u>	<u>0</u>
	<u>\$ 231,457</u>	<u>\$ 250,650</u>
<b><u>LIABILITIES</u></b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 3,000	\$ 6,000
Due to Law Society of Nunavut	<u>0</u>	<u>4,808</u>
	3,000	10,808
<b><u>MEMBERS' EQUITY</u></b>		
<b>UNRESTRICTED FUND</b>	<u>228,457</u>	<u>239,842</u>
	<u>\$ 231,457</u>	<u>\$ 250,650</u>

**APPROVED BY THE BOARD:**



Chairperson



Director

**NUNAVUT LAW FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**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 accounting policies followed by the Foundation are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

**(a) Change in Accounting Policies**

The Foundation adopted the Canadian Institute of Chartered Accountants Handbook Section 3855, *Financial Instruments - Recognition and Measurement*; Section 3861, *Financial Instruments - Disclosure and Presentation*; and Section 1530, *Comprehensive Income* on January 1, 2008.

Prior to the adopting of these new standards, the Foundation reported temporary investments at their cost. Effective January 1, 2008, temporary investments are classified as held for trading and stated at fair value. The unrealized gain or loss on investments, being the difference between cost and fair value, is included in revenues in the statement of operations. Fair values of temporary investments are valued at year-end quoted market prices.

Upon adoption of these new sections, the transition rules require that the Foundation adjusts the opening members' equity as if the new rules had always been applied in the past, without restating comparative amounts of prior years. As such, opening members' equity was increased by \$2,960.

**(b) Use of Estimates**

The preparation of the financial statements of the Foundation requires management to make estimates and assumptions based on information available as of the date of the financial statements. Therefore, actual results could differ from those estimates.

**(c) Fund Accounting**

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

**NUNAVUT LAW FOUNDATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(d) 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.

**(e) Temporary Investments**

Temporary investments are recorded at market value during the current year and cost during the prior year. For future financial statements market value will be used. Cost is \$244,235 for the current year. (2007 market value - \$227,603).

**(f) Financial Instruments**

The Foundation's financial instruments consist of cash, temporary investments, accounts receivable, 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.

**3. STATEMENT OF CASH FLOWS**

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