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NUNAVUT LAW FOUNDATION

ANNUAL REPORT

For the year ending December 31, 2009

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 is established by and derives its authority from Part VII of the *Legal Professions Act*, RSNWT 1988, c. L-2, as amended for Nunavut pursuant to section 76.05 of the *Nunavut Act* (Canada).

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 December 31, 2009 were:

Appointed by the Law Society:

**Thomas Druyan, Iqaluit - Chair
Andrew Campbell, Iqaluit
Christopher Debicki, Iqaluit
Sandra Omik, Iqaluit**

Appointed by the Commissioner:

Elisapi Davidee-Aningmiuq, Iqaluit

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

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

It is my privilege to submit my first annual report as Chair of the Nunavut Law Foundation.

Since 2006, the members of the Board have worked hard to establish the Foundation as an effective organization that seeks to more actively fulfill its statutory mandate of making grants. At the same time, our resources are modest and we must carefully monitor and manage those resources so that we can continue to meet our objectives in the foreseeable future. The audited financial statements for the fiscal year are set out in Part C of this Annual Report.

The Board continues to struggle to raise the Foundation's profile in Nunavut. This is a constant challenge because of several factors: the sheer size of the Territory; the small size of the resident legal community and its concentration in Iqaluit; and the precisely defined nature of our mandate. That is reflected in the lack of any grants made in 2009. Fortunately though, unlike many other Foundations across Canada, our financial outlook is stable.

We continue to be proud of the *Lucien Ukaliannuk Award for Studies in Law*, which provides awards to students wishing to pursue law-related studies and who qualify on the basis of need and a commitment to Nunavut. Although there were no applicants for the Award this year, this initiative will become increasingly significant in the coming years.

Building on this initiative was another positive milestone. In the fall, we established another award, the Upingartuq High School Award, to honour Madam Justice Beverley Browne and her commitment to Nunavut's youth. Although the exact terms of reference are still incomplete, it will be awarded annually to Nunavut high school students who, like Justice Browne, demonstrate a commitment to community leadership, social justice, rehabilitation or peacemaking.

In the fall, we were also pleased to welcome Andrew Campbell as the newest member of the Board. Andrew Campbell is a very capable lawyer and is active with many community organizations in Nunavut such as the Akitsiraq Law Program and is a former Vice-President of the Canadian Bar Association.

In October, with the assistance of a special fund established by the larger Foundations, I attended the Annual General Meeting of the Association of Canadian Law Foundations. This was only the second time our Foundation has attended the national meeting. The other Foundations were very welcoming and glad to have Nunavut participate; they were also appreciative of the challenges we face. It was very valuable to exchange ideas and learn what other Foundations are doing, and the policies and procedures they have created. Importantly, the larger Foundations, particularly Ontario, reaffirmed their expression of support for the Foundation and the inequitable situation raised by Barth Curley at their last AGM – ie, the loss of interest income on the millions of dollars of legal work being done in Nunavut every year by non-resident lawyers who place those monies in southern trust accounts where interest is remitted to southern law foundations.

I would also like to express a word of appreciation to Elisapee Davidee, our lay member since 2006. Last year, Elisapee agreed to serve another term, but announced that she would not be completing her entire term and that 2009 would be her final year as our lay member. Elisapee made an invaluable contribution to the work of the Foundation. She combines

common sense, wisdom, a sense of humour, insight into community needs and concerns, and knowledge of Inuit societal values. Elisapee will be sorely missed by all of us at the Foundation.

In brief, 2009 was a transitional year for the Foundation as we faced capacity and quorum challenges, particularly after the departure from Nunavut of Barth Curley, our Chair for the past 3 years, who left big shoes to fill. But, things stabilized in the fall and I and my fellow Board members are optimistic about the Foundation's future. We have ambitious plans for 2010 and look forward to being more active in helping to make justice more relevant and accessible to Nunavummiut.

Respectfully

Thomas Druyan
Chair

C) *FINANCIAL STATEMENTS*

**NUNAVUT LAW FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2009**

**NUNAVUT LAW FOUNDATION
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DECEMBER 31, 2009**

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AUDITORS' REPORT

To the Members of
Nunavut Law Foundation

We have audited the statement of financial position of the Nunavut Law Foundation as at December 31, 2009 and the statements of operations and changes in members' equity for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Foundation's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nunavut Law Foundation as at December 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Iqaluit, Nunavut
October 13, 2011

CHARTERED ACCOUNTANTS

NUNAVUT LAW FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
R E V E N U E S		
Member levies	\$ 26,400	\$ 24,800
Interest earned on investments	4,166	5,158
Realized loss on sale of investments	0	(7,194)
Unrealized gain (loss) on investments	12,239	(22,822)
	<u>0</u>	<u>(9,231)</u>
	<u>42,805</u>	<u>9,173</u>
E X P E N S E S		
Advertising and promotion	2,115	3,689
Grants	0	12,500
Interest and bank charges	72	70
Computer equipment	0	2,156
Office	0	512
Professional fees	3,000	1,638
Travel	0	2,953
	<u>5,187</u>	<u>23,518</u>
EXCESS EXPENSES	<u>\$ 37,618</u>	<u>\$ (14,345)</u>

NUNAVUT LAW FOUNDATION
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
BALANCE, OPENING	\$ 228,457	\$ 239,842
Excess expenses	37,618	(14,345)
Change in fair value of financial assets held for trading as at January 1, 2008	<u>0</u>	<u>2,960</u>
BALANCE, CLOSING	<u>\$ 266,075</u>	<u>\$ 228,457</u>

NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

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 December 31, 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, the prior year 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, 2009**

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. Cost is \$248,401 for the current year (2008 - \$244,235).

(f) Financial Instruments

The Foundation's financial instruments consist of cash, temporary investments, accounts receivable, accounts payable and accrued liabilities, and due to/from the 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.