

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, 2010 were:

Appointed by the Law Society:	Thomas Druyan, Iqaluit - Chair Andrew Campbell, Iqaluit Christopher Debicki, Iqaluit Sandra Omik, Iqaluit
Appointed by the Commissioner:	vacant

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:

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Iqaluit, NU, X0A 0H0
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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 another annual report as Chair of the Nunavut Law Foundation.

Over the past years, the members of the Board have worked hard to establish the Foundation as a viable and effective organization that succeeds in 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. But, even modest grants can have a positive impact.

As stated previously, 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. Fortunately though, our financial outlook remains stable. The audited financial statements for the fiscal year are set out in Part D of this Annual Report.

Several years ago, the Foundation decided to focus on investing in the future of this Territory. In 2007, the Foundation established 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. I am proud to announce that awards totalling \$8,000 were awarded in 2010 to two deserving law students, who we hope will soon become/return as active members of Nunavut's legal community.

This year, the Foundation also formalized approval of the terms of the Upingartuq High School Award, established in honour of Judge Beverley Brown and her commitment to Nunavut's youth. These will be awarded to high school students in each of the Territory's three regions who, like Justice Browne, demonstrate a commitment to community leadership, social justice, rehabilitation or peacemaking. We look forward to making the first awards at the end of the 2010-2011 school year.

This year, the Foundation joined in the lobbying efforts to try to save Aboriginal Healing Foundation. We contacted Nunavut's member of Parliament and Minister of Health, the Hon. Leona Aglukkaq, as well as the Hon. Chuck Strahl, Minister of INAC and territorial Minister of Justice Keith Peterson, to express our support for the critically important work of the Aboriginal Healing Foundation and urged them to ensure that the Government of Canada continue to provide funding. The Aboriginal Healing Foundation supported 12 projects in Nunavut designed to heal residential school victims of physical and sexual abuse; these programs helped minimize victims' interaction with the criminal justice system and to recover from that interaction.

In late 2010, we encouraged the Nunatta Sunakutaangit Museum to work with the Legacy of Hope Foundation to bring its exhibit regarding the Inuit residential school experience to Iqaluit as a public legal education and healing event.

In 2010, we identified capacity challenges arising from the lack of administrative staff as a structural issue, and approached the Law Society Executive for assistance. Susanne Boucher and the rest of the Executive generously agreed to share their staff with the Foundation, and Nalini Vaddapalli, the Law Society's new CEO, graciously agreed to become more actively involved with the Foundation. This greatly assists us in fulfilling our role without compromising our

independence from the Law Society. We look forward to continue working with Nalini to both arrange a more efficient solution to our administrative tasks and to explore new initiatives.

Finally, I wish to express appreciation to Chris Debecki, whose term expired at the end of this year, for his insight and positive contributions to the work of Foundation since 2006.

Respectfully

Thomas Druyan
Chair

C) *GRANTS MADE*

Grants made during the calendar year are as follows:

1)	Lucien Ukaliannuk Award	\$ 5,000.00
2)	Lucien Ukaliannuk Award	\$ 3,000.00
	Total	<u>\$ 8,000.00</u>

D) FINANCIAL STATEMENTS

**NUNAVUT LAW FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2010**

**NUNAVUT LAW FOUNDATION
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DECEMBER 31, 2010**

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INDEPENDENT AUDITORS' REPORT

To the Board Of Directors of
Nunavut Law Foundation
Iqaluit, Nunavut

We have audited the accompanying financial statements of the Nunavut Law Foundation, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, changes in fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nunavut Law Foundation as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Iqaluit, Nunavut
October 17, 2011

CHARTERED ACCOUNTANTS

NUNAVUT LAW FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>2010</u>	<u>2009</u>
Member levies	\$ 26,800	\$ 26,400
Investment income	2,892	4,166
Unrealized gain on investments	<u>6,515</u>	<u>12,239</u>
	<u>36,207</u>	<u>42,805</u>
Advertising and promotion	0	2,115
Grants	8,000	0
Interest and bank charges	72	72
Professional fees	<u>2,500</u>	<u>3,000</u>
	<u>10,572</u>	<u>5,187</u>
EXCESS REVENUES	<u><u>\$ 25,635</u></u>	<u><u>\$ 37,618</u></u>

NUNAVUT LAW FOUNDATION
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2010

	2010	2009
BALANCE, OPENING	\$ 266,075	\$ 228,457
Excess revenues	<u>25,635</u>	<u>37,618</u>
BALANCE, CLOSING	<u>\$ 291,710</u>	<u>\$ 266,075</u>

**NUNAVUT LAW FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2010**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 39,820	\$ 32,792
Temporary investments (Note 2)	242,990	233,583
Due from Law Society of Nunavut	17,400	5,700
	\$ 300,210	\$ 272,075
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 8,500	\$ 6,000
<u>MEMBERS' EQUITY</u>		
UNRESTRICTED FUND	291,710	266,075
	\$ 300,210	\$ 272,075

APPROVED BY THE BOARD:

_____ Chairperson _____ Director

NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2010

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) 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.

(b) Fund Accounting

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

(c) 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.

(d) Temporary Investments

Temporary investments are recorded at market value. Cost is \$251,293 for the current year (2009 - \$248,401).

(e) 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.