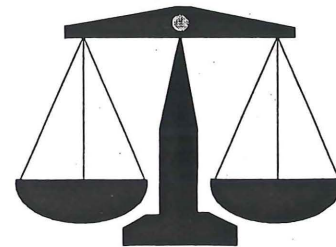




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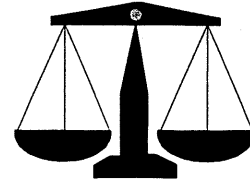
# NORTHWEST TERRITORIES LAW FOUNDATION

N.W.T.  
LEGISLATIVE LIBRARY  
NOV 28 2007  
Yellowknife, N.W.T.

Twenty-Fifth Annual Report for the  
Fiscal Year Ending June 30, 2007



# NORTHWEST TERRITORIES LAW FOUNDATION



## **CHAIRMAN'S REPORT**

TO: The Legislative Assembly of the Northwest Territories; and  
TO: The Executive, Law Society of the Northwest Territories

We are pleased to submit the Annual Report of the Northwest Territories Law Foundation for the year ending June 30<sup>th</sup>, 2007 pursuant to the *Legal Profession Act*.

The Law Foundation made seven grants during the year totaling \$ 180,387.76, details of which are outlined in this report

This year the Northwest Territories Law Foundation/Graeme Garson Bursary Fund awarded \$7500.00 scholarships to each of Menelik Tessema and Magnolia Unka, all residents of the Northwest Territories attending Canadian law schools in 2007/2008.

In 2007, the Law Foundation came to learn that one of the chartered banks in Yellowknife was not remitting interest to the Foundation from firm and member trust accounts, as required by section 57(2) of the *Legal Profession Act*. The Foundation wrote letters to the members and firms concerned, reminding them of their obligations to instruct the banks where they held trust accounts to remit the interest from those accounts to the Foundation. The Law Foundation understands that this matter will be soon rectified.

The Law Foundation encourages all members to regularly remind the banks with whom they have trust accounts of the bank's responsibility to remit interest from the member's trust accounts to the Law Foundation.

The Foundation is grateful to Board members Gerard Phillips, Scott Duke and Emerald Murphy as well as lay member Darrell Beaulieu for their contributions as Directors over the past year and also to Wendy Carter for her constant and valuable service as the Executive Manager.

Respectfully submitted this 29 day of October, 2007

A handwritten signature in black ink, appearing to read 'Glenn Tait'.

Glenn Tait  
Chair

## **SCHOLARSHIPS**

The Northwest Territories Law Foundation/Graeme Garson Bursary Fund has monies available to assist law students in pursuing their legal studies at either the graduate or undergraduate level.

For information about the Northwest Territories Law Foundation and to request financial assistance forms, write or telephone:

Wendy Carter  
Executive Manager  
The Northwest Territories Law Foundation  
P.O. Box 2594  
YELLOWKNIFE, NT X1A 2P9  
Telephone: (867) 873-8275  
Facsimile: (867) 873-6383  
e-mail: action@theedge.ca

Scholarships for the 2007-2008 school year were awarded to Menelik Tessema and Magnolia Unka, in the amount of \$7,500.00 each.

## **GRANTS AWARDED 2006-2007**

### **2006-2007 BAR ADMIN COURSES \$10,000.00**

- ◆ To assist in defraying the costs of registration fees for N.W.T. articling students enrolled in the Bar Admin courses for 2006/2007.

### **CBA – CANLII PROJECT - \$10,001.52**

- ◆ To assist in the CANLII project (Virtual Law Library).

### **NWT COURT LIBRARY - \$90,000.00**

- ◆ To assist in the purchase of serial and electronic materials for the M.M. de Weerd Law Library and the Hay River Court Library, and to digitize the historical case law not yet online from 1962 to 1999.

### **YELLOWKNIFE DENE BAND - \$40,000.00**

- ◆ To assist in providing a community justice worker for the communities of Dettah, N'dilo and Yellowknife.

### **CANADIAN ASSOCIATION OF STATUTORY HUMAN RIGHTS AGENCIES - \$9,936.24**

- ◆ To assist in defraying the costs of NWT non-profit organizations to attend the CASHRA Conference in Yellowknife, NT. Delegates gained valuable human rights education and advocacy tools that will assist them in providing services to the people of the NWT.

### **NWT BAR ASSOCIATION – FAMILY LAW SECTION - \$5,450.00**

- ◆ To assist the NWT Bar Association, Family Law Section in presenting a combined public legal education seminar and continuing legal education seminar in Yellowknife, NT.

### **UNIVERSITY OF SASKATCHEWAN – NATIVE LAW CENTRE - \$15,000.00**

- ◆ To assist in funding the Native Law Centre programs at the University of Saskatchewan.

## **PURPOSE**

The Northwest Territories Law Foundation was established pursuant to Part VII of the *Legal Profession Act* for the purpose of receiving the interest which banks must pay on clients' funds held by lawyers in mixed trust accounts. It is similar in form to Law Foundations established in most provinces.

## **OBJECTIVES**

The objectives of the Law Foundation are to use the funds collected in this manner to provide funding in the following areas:

- ◆ conducting research into and recommending reform of the law and the administration of justice,
- ◆ establishing, maintaining and operating law libraries,
- ◆ contributing to the legal education and knowledge of members and the people of the Territories and providing programs and facilities for that purpose,
- ◆ providing assistance to legal aid programs and programs of a similar nature, and
- ◆ contributing to the Assurance fund; and
- ◆ to do all other things which, in the opinion of the Directors, are incidental or conducive to the attainment of these objects.

## **ADMINISTRATION**

The affairs of the Foundation are conducted by a Board of Directors composed of five members, four being members of the Law Society and appointed by the Executive of the Law Society and one who is not a member of the Law Society and is appointed by the Commissioner. The Directors serve for a term of two years.

The Directors meet as required to decide on policy matters and to deal with the general administration of the Foundation including policy as to the collection and investment of funds. A "grant meeting" is held once a year to consider all requests for funding for that fiscal year.

Administration and management services are provided through an Executive Manager who is engaged on a contract basis.

## **BOARD OF DIRECTORS 2006-2007**

CHAIR:  
FIRST VICE-CHAIR:  
DIRECTOR:  
DIRECTOR:  
LAY MEMBER:  
EXECUTIVE MANAGER:

GLENN TAIT  
GERARD K. PHILLIPS  
SCOTT DUKE  
EMERALD MURPHY  
DARRELL BEAULIEU  
WENDY CARTER

# CHARLES JEFFERY

Chartered Accountant

Suite 118 - 314 Old Airport Road, Yellowknife, NT X1A 3T3  
Phone: 867.920.4722 | Fax: 867.873.5502  
info@cjeffery.com

## Auditor's Report

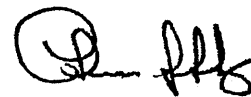
### To the Board of Directors of Northwest Territories Law Foundation

I have audited the balance sheet of the Northwest Territories Law Foundation as at June 30, 2007 and the statements of operations and net assets for the year then ended. These financial statements are the responsibility of the management of the Foundation. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 in significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Northwest Territories Law Foundation as at June 30, 2007 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Yellowknife, Northwest Territories  
October 12, 2007



Charles Jeffery  
Chartered Accountant

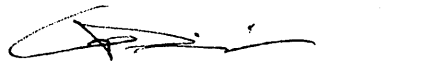
# Northwest Territories Law Foundation

## Balance Sheet

As at June 30, 2007

	June 30 2007	June 30 2006
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash	149,805	42,488
Interest receivable from banks holding practice trust accounts	34,436	18,159
Reimbursement of student scholarship	3,050	4,900
Investments (Notes 1 and 3)	934,369	886,342
	<b>1,121,660</b>	<b>951,889</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	1,536	2,035
Grants payable (Note 1)	32,917	33,314
	<b>34,453</b>	<b>35,349</b>
<b>Net Assets</b>		
Unrestricted Net Assets	796,603	635,955
Bursary Fund	279,737	270,277
John U Bayly Memorial Fund	10,867	10,308
	<b>1,087,207</b>	<b>916,540</b>
	<b>1,121,660</b>	<b>951,889</b>

 , Director

 , Director

# Northwest Territories Law Foundation

## Statement of Operations

For the year ended June 30, 2007

	June 30 2007	June 30 2006
	\$	\$
<b>Revenue</b>		
Interest - Trust accounts of practitioners in banks	329,496	170,623
Investment income (Note 1)	35,583	(2,875)
Recovery of unaccessed grants - 2002	-	-
Donation	-	-
	<hr/>	<hr/>
	365,079	167,748
<b>Expenditures</b>		
Administration fees	13,768	13,898
Grants	180,387	91,121
Investment management fee	-	2,341
Office and miscellaneous	8,816	6,848
Printing	-	265
Professional fees	1,460	1,097
	<hr/>	<hr/>
	204,431	115,570
<b>Excess revenue (expenditures)</b>	<hr/>	<hr/>
	160,648	52,178



# Northwest Territories Law Foundation

## Statement of Net Assets

For the year ended June 30, 2007

	June 30 2007	June 30 2006
	\$	\$
<b>Unrestricted Net Assets</b>		
Balance, beginning of year	635,955	583,777
Excess revenue (expenditures)	160,648	52,178
<b>Balance, end of year</b>	<b>796,603</b>	<b>635,955</b>
<b>Northwest Territories Law Foundation/Graeme Garson Bursary Fund (Note 1)</b>		
Balance, beginning of year	270,277	287,770
Transfer from operations	-	-
Interest income	14,690	(958)
Reimbursement of student scholarship	10,300	4,000
	295,267	290,812
Administration fees	(535)	(535)
Student scholarship	(15,000)	(20,000)
<b>Balance, end of year</b>	<b>279,732</b>	<b>270,277</b>
<b>John U Bayly Memorial Fund (Note 1)</b>		
Balance, beginning of year	10,308	11,300
Accrued interest	559	408
Donations collected - current year	-	-
	10,867	11,708
Mediation scholarships	-	(1,400)
<b>Balance, end of year</b>	<b>10,867</b>	<b>10,308</b>

# Northwest Territories Law Foundation

## Notes to the Financial Statements

For the year ended June 30, 2007

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	June 30 2007	June 30 2006
	\$	\$

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The Northwest Territories Law Foundation is incorporated under the statutes of the Northwest Territories. The organization's activities include conducting research, establishing law libraries and contributing to the legal education and knowledge of members and the people of the Northwest Territories.

### 1 Significant accounting policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The preparation of financial statements necessarily involves the use of estimates, which have been made using careful judgment. Actual results could differ from these estimates and any differences will be reflected in the financial statements in the period in which they are known. The financial statements have, in the opinion of management, been properly prepared within the reasonable limits of materiality and the framework of the significant accounting policies summarized below.

#### (a) Fund accounting

##### Unrestricted Net Assets

Revenues and expenditures related to program delivery and administrative activities are reported in unrestricted net assets.

##### Northwest Territories Law Foundation/Graeme Garson Bursary Fund

A bursary fund was established to provide interest income which finances a scholarship program for law studies. Interest on the investment is calculated annually at year end. The bursary fund and interest income is recorded on the balance sheet in the investment account.

##### Bourassa Advocacy Training Fund

The Bourassa Advocacy Training fund was established to provide a grant for local lawyers to take advocacy training courses.

##### John U Bayly Memorial Fund

The John U Bayly Memorial Fund was established to encourage and facilitate the development of mediation skills. Interest earned annually on the fund will be used as a grant.

#### (b) Investments

Investments are recorded at market value.

1/4 of investment income or loss is allocated to the bursary fund

#### (c) Revenue recognition

The organization records interest revenue on member trust accounts as it is received from members of the Law Society of the Northwest Territories.

#### (d) Grants payable

The organization records grants which have been approved, but not yet paid, as grants payable on the financial statements.

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### 2 Statement of Cash Flows

A statement of cash flows has not been prepared as the information is readily apparent from the financial statements.

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# Northwest Territories Law Foundation

## Notes to the Financial Statements

For the year ended June 30, 2007

			June 30 2007	June 30 2006
			\$	\$
<b>3 Investments</b>				
<b>Equities</b>	<b>Shares</b>	<b>Market</b>		
Ameren Corp	44	52.11	2,293	-
Allied Capital Corp	49	39.92	1,613	-
Altria Group Inc.	50	74.58	3,729	-
American Financial Realty	91	10.97	999	-
BP PLC	43	76.71	3,298	-
Bank of America	81	51.90	4,204	-
Consolidated Edison	48	47.98	2,303	-
Citigroup	65	54.44	3,539	-
Comerica Inc.	22	63.23	1,391	-
Deutsche Telekom	181	19.58	3,543	-
ENI SPA	50	76.80	3,840	-
ENEL Societa	60	57.10	3,426	-
First Horizon	66	41.47	2,737	-
Fifth Third Bancorp	63	42.29	2,664	-
First Industrial Realty	23	41.21	989	-
Gallagher Arthur J & Co	86	29.65	2,549	-
HRPT Properties	105	11.06	1,161	-
Integrus Energy	36	53.94	1,942	-
Hospitality Trust	24	44.12	1,059	-
Lexington Realty Trust	60	22.11	1,327	-
Lloyds TSB	75	47.55	3,566	-
MacQuarie Infrastructure	37	44.10	1,632	-
New York Community Bancorp	89	18.10	1,611	-
National City Corp	87	35.37	3,077	-
Packaging Corp America	43	26.91	1,157	-
Progress Energy	41	48.48	1,988	-
Pfizer Inc.	153	27.19	4,160	-
Pinnacle West Capital Corp	55	42.37	2,330	-
Reynolds American Inc.	67	69.32	4,645	-
Southern Co	43	36.46	1,568	-
Telstra Corporation	184	20.70	3,809	-
Telecom Italia	93	29.20	2,715	-
Telecom Corp New Zealand	57	29.69	1,692	-
United Utilities PLC	119	29.99	3,568	-
US Bancorp Del	105	35.04	3,679	-
UST Inc.	43	57.11	2,456	-
Verizon Communication	51	43.78	2,233	-
Wachovia Corporation	55	54.49	2,997	-
Windstream Corp	227	15.69	3,563	-
Washington Mutual	91	45.34	4,126	-
			<b>105,178</b>	

Note# 3 continued on following page

# Northwest Territories Law Foundation

## Notes to the Financial Statements

For the year ended June 30, 2007

			June 30 2007	June 30 2006
			\$	\$
<b>3 Investments Continued from previous page</b>			<b>105,178</b>	<b>-</b>
<b>Equities</b>				
<b>Fixed income</b>	<b>Term</b>	<b>Interest</b>		
Government of Canada	September 1, 2008	4.250%	15,932	
Province of British Columbia	January 9, 2009	5.750%	16,651	
Province of Manitoba	March 2, 2009	5.250%	16,135	
Province of Ontario	November 19, 2010	6.100%	15,629	
BMO Capital Trust	December 31, 2049	6.900%	8,402	
RBC Capital Trust	June 30, 2011	7.190%	9,661	
Government of Canada	June 1, 2013	5.250%	9,312	
ScotiaBank Capital Trust	June 20, 2013	6.280%	9,452	
Government of Canada	September 1, 2007	4.500%	8,996	
Hydro One Inc.	November 12, 2012	5.770%	9,341	
Province of Ontario	March 8, 2014	5.000%	19,238	
GE Capital Canada	February 11, 2015	4.650%	8,722	
Wells Fargo Financial	June 30, 2015	4.380%	7,596	
Province of Quebec	December 1, 2016	4.500%	8,737	
Province of Ontario	March 8, 2016	4.400%	6,799	
GE Capital Canada Funding Note	July 24, 2007	5.300%	-	7,043
Greater Toronto Airports Authority	December 3, 2007	5.950%	-	12,183
Glacier Credit Card Trust	November 20, 2008	4.440%	-	22,826
Loblaw Companies Limited	January 22, 2009	5.750%	-	13,285
CIBC Full Service GTD	January 26, 2009	3.610%	10,200	10,200
Canada Housing Trust #1	September 15, 2009	4.650%	-	12,020
Province of Ontario	November 19, 2009	6.200%	-	11,536
Government of Canada	June 1, 2010	5.500%	-	37,307
Hydro One Inc.	June 3, 2010	7.150%	-	4,335
Province of British Columbia	August 23, 2010	6.375%	-	27,686
Canada Housing Trust #1	March 15, 2011	4.050%	-	21,471
Thomson Corporation	June 1, 2011	6.850%	-	10,802
RBC Capital Trust II	June 30, 2011	7.183%	-	18,530
Province of British Columbia	January 9, 2012	5.750%	-	5,256
Province of Quebec	October 1, 2012	6.000%	-	25,518
Great-West Life Capital	December 31, 2012	5.995%	-	9,400
Government of Canada	June 1, 2013	5.250%	-	28,105
Toronto Dominion Bank	September 5, 2013	4.540%	-	19,900
Transcanada Pipelines	January 15, 2014	5.650%	-	13,424
Province of Ontario	March 8, 2015	4.500%	-	5,844
Province of Ontario	March 8, 2015	4.500%	-	12,663
Government of Canada	June 1, 2015	4.500%	-	7,950
Government of Canada	June 1, 2016	4.000%	-	11,420
Province of New Brunswick	December 27, 2017	6.000%	-	26,131
Sun Life Financial Services of Canada Inc.	June 30, 2022	6.150%	-	8,429
Government of Canada	June 1, 2023	8.000%	-	13,873
Province of Ontario	March 8, 2029	6.500%	-	52,047
Government of Canada	June 1, 2029	5.750%	-	80,768
407 International Inc.	July 27, 2029	6.470%	-	11,089
Hydro One Inc.	June 1, 2032	6.930%	-	9,543
RBC Capital Trust III	December 31, 2053	5.812%	-	10,287
Ontario Hydro Bond	April 17, 2012	10.000%	-	-
Ontario Hydro Bond	February 6, 2016		-	-
			<b>285,981</b>	<b>560,871</b>

Note# 3 continued on following page

# Northwest Territories Law Foundation

## Notes to the Financial Statements

For the year ended June 30, 2007

	June 30 2007	June 30 2006
	\$	\$
<b>3 Investments (continued)</b>		
<b>Fixed income investments from previous page</b>	<b>285,981</b>	<b>560,871</b>
<b>Guaranteed investment fund (Mutual funds/segregated funds)</b>		
Manulife Fidelity Growth	82,587	79,361
Manulife Fidelity Intl Portfolio	105,277	94,894
Manulife BPI Global Equity	75,434	66,731
Manulife Mix U.S. Large Cap Growth	58,049	52,118
	321,347	293,104
<b>Cash content of investment accounts</b>	<b>327,041</b>	<b>32,368</b>
	<b>934,369</b>	<b>886,343</b>

The guaranteed investment fund account protects the original principal or capital amount contributed to the investment account. The guaranteed investment fund matures in October, 2010. Upon maturity, the organization is guaranteed to receive the greater of the original value of the investment of \$461,920 and the market value of the investments.