



THE
NORTHWEST TERRITORIES
LAW FOUNDATION
**FIFTH
ANNUAL REPORT**
FOR FISCAL YEAR ENDING
JUNE 30th, 1987

TABLED DOCUMENT NO. 7-88(1)
TABLED ON
FEB 12 1988
Government Library
FEB 1 6 1988
Government of N.W.T.
Yellowknife, N.W.T.

P.O. BOX 2594, YELLOWKNIFE, N.W.T. X1A 2P9
(403) 873-8275

CHAIRMAN'S REPORT

NWT GOVERNMENT LIBRARY



3 1936 0005 211 6

To the Executive Law Society of the Northwest Territories

It is my pleasure to present to you the fifth Annual Report of the Law Foundation of the Northwest Territories for the fiscal year July 1, 1986 - June 30, 1987 hereby complying with the statutory requirements of s.55(1) of the Legal Profession Act.

This was the fifth year of the Foundation's operation and with that maturity has come a decided increase in the number of applications for funding. The Board welcomes this awareness of its existence and also assumes those consequent responsibilities. The increase in applications for funding over the past year has required the Board to establish certain philosophies and priorities which will enable it to properly and fairly assess funding applications. The Board has established that its primary philosophy shall be to assist those projects which provide a benefit to the residents of the Northwest Territories. Projects which arise outside the Northwest Territories or have little direct benefit to the Northwest Territories' residents will be given lower priority. Within that broad philosophy, the Board has established a list of priorities for funding and they are as follows:

- a) public legal education;
- b) law reform and research;
- c) legal education of Northwest Territories' lawyers;
- d) law libraries;
- e) national organizations involved in research or education.

The Board expects increased requests for grants in the next year and each application will be assessed within the framework of the above criteria.

The audited financial statements of the Foundation are attached and they reflect the increase in our revenue over the past year as a result of an improved bank rate on lawyers' mixed trust accounts. This has enabled the Foundation to establish a healthy reserve and also to have significant funds available for grants.

I wish to thank the 1986-87 Directors of the Foundation, namely, Richard Hardy, Cheryl Walker, Richard Spaulding and our laymember Michael Odell. Many thanks also to our Executive Manager, Gordon Carter, for his continuing and qualified direction.

Lorraine F. Minish-Cooper
Chairman

BOARD OF DIRECTORS

1986-87



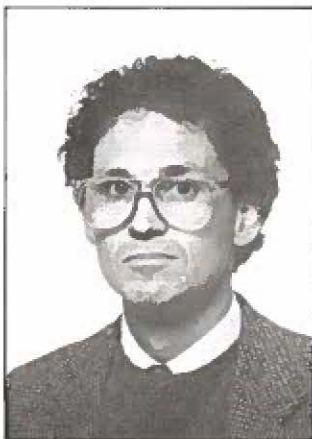
Loraine F. Minish-Cooper
Chairman



Richard I. Hardy
1st Vice Chairman



Cheryl Walker
2nd Vice Chairman



Richard Spaulding
Member



Michael D. Odell
Appointed Member



Gordon R. Carter
Executive Manager

THE N.W.T. LAW FOUNDATION

The Northwest Territories Law Foundation was enacted pursuant to Part VII of the Legal Profession Ordinance 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 of the provinces.

Objectives

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

- (a) conducting research into and recommending reform of the law and the administration of justice;
- (b) establishing, maintaining and operating law libraries;
- (c) contributing to the legal education and knowledge of members and the people of the Northwest Territories and providing programmes and facilities therefor;
- (d) providing assistance to legal aid programmes and programmes of like nature;
- (e) contributing to the Assurance Fund; and,
- (f) doing all other things that, in the opinion of the Directors, are incidental or conducive to the attainment of these objects.

Administration

The Foundation is administered by a Board of Directors consisting of five members: four being members of the Law Society and appointed by the Executive of the Society and one who is not a member of the Law Society and appointed by the Commissioner. The Directors serve for a term of two years.

The Directors meet as required to decide on policy matters, to consider requests for funding and to deal with the general administration of the Foundation including policy as to the collection and investment of funds.

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

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

Gordon R. Carter

Executive Manager

The Northwest Territories Law Foundation

Box 2594, Yellowknife, N.W.T. X1A 2P9

Telephone (403) 873-8275



TESSA MACINTOSH

Yellowknife, the capital of the Northwest Territories

AUDITORS' REPORT

**Board of Directors
Northwest Territories Law Foundation**

We have examined the Balance Sheet of the Northwest Territories Law Foundation for the year ended June 30, 1987 and the Statement of Revenue and Expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests as we considered necessary in the circumstances.

A major part of the Foundation's revenue is interest from trust accounts of its members which is not susceptible to complete audit verification because of the lack of a system of control. Accordingly, our verification of receipts from this source was limited to accounting for the amounts recorded in the accounts of the Foundation.

In our opinion, except for the effect of adjustments, if any, which might have been required had interest from trust accounts been susceptible to complete audit verification, these financial statements present fairly the assets and liabilities of the Foundation as at June 30, 1987 and the results of its operations for the year then ended, in accordance with the accounting principles set out in the Notes to the Financial Statements, applied on a basis consistent with that of the preceding year.

Hinchey, Wowk, Williams, Avery & Co

**Hinchey, Wowk, Williams, Avery & Co.
Certified General Accountants
Yellowknife, N.W.T.**

August 31, 1987

STATEMENT I

NORTHWEST TERRITORIES LAW FOUNDATION
BALANCE SHEET
June 30, 1987

	ASSETS	1987	1986
CURRENT			
Cash		\$ 52,767	\$ 81,852
Term Deposits		100,000	10,000
Accounts Receivable		1,281	—
		<u>\$ 154,048</u>	<u>\$ 91,852</u>
	LIABILITIES AND SURPLUS		
CURRENT			
Accounts Payable and Accruals		<u>\$ 800</u>	<u>\$ 600</u>
SURPLUS			
Opening Balance		91,252	71,254
Excess of Revenue Over Expenditure per Statement II		<u>61,996</u>	<u>19,998</u>
Closing Balance		<u>153,248</u>	<u>91,252</u>
		<u>\$ 154,048</u>	<u>\$ 91,852</u>

APPROVED:

_____ Director

_____ Director

The attached notes are an integral part of these financial statements.

STATEMENT II

NORTHWEST TERRITORIES LAW FOUNDATION
STATEMENT OF REVENUE AND EXPENDITURE
For the Year Ended June 30, 1987

	1987	1986
REVENUE		
Interest on Trust Accounts	\$ 66,096	\$ 28,578
Interest on Term Deposits	7,199	3,569
Donation	500	1,000
	<u>\$ 73,795</u>	<u>\$ 33,147</u>
EXPENDITURE		
Administration Fees	\$ 5,265	\$ 4,436
Bank Charges	26	—
Dues	210	144
Executive	397	274
Office	100	217
Grants	3,500	6,000
Printing	851	468
Professional Fees	1,450	1,610
	<u>11,799</u>	<u>13,149</u>
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ 61,996</u>	<u>\$ 19,998</u>

The attached notes are an integral part of these financial statements.

NORTHWEST TERRITORIES LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 1987

NOTE 1 STATUS

The Foundation is incorporated under the laws of the Northwest Territories.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

- a) The Foundation records revenue from interest on members' trust accounts as these amounts are received from members of the Law Society of the Northwest Territories.
- b) Prior year's figures, shown for comparative purposes, have been restated where applicable to conform to current presentation.



TESSA MACINTOSH

Spring Hunting above the treeline near Cape Dorset

Part VII

NORTHWEST TERRITORIES LAW FOUNDATION

50. There is hereby established a body corporate and politic to be known as the Northwest Territories Law Foundation (in this Part called the "Foundation").

Northwest
Territories Law
Foundation

51. The objects of the Foundation are

Objects

(a) to receive moneys and property and to maintain and manage a fund, the interest and capital of which is to be used from time to time as the board of directors of the Foundation see fit for

(i) conducting research into and recommending reform of law and the administration of justice;

(ii) establishing, maintaining and operating law libraries;

(iii) contributing to the legal education and knowledge of members and the people of the Territories and providing programs and facilities therefor;

(iv) providing assistance to legal aid programs and programs of like nature;

(v) contributing to the Assurance Fund; and

(b) doing all other things that are, in the opinion of the directors, incidental or conducive to the attainment of the objects enumerated in paragraph (a).

52.(1) The affairs of the Foundation shall be conducted by a board of directors composed of

Board of
directors

(a) a person who is not a member of the Society and who shall be appointed by the Commissioner; and

(b) four other persons to be appointed from among the membership of the Society by the Executive in accordance with the rules.

(2) The term of office of the directors of the Foundation shall be for a period of two years.

Tenure

(3) The Executive shall designate one member of the board of directors as chairman.

Chairman

(4) Three members of the board of directors constitute a quorum.

Quorum

53.(1) The board may make by-laws respecting calling of meetings of the board and the conduct of business thereat, the duties and conduct of members and generally as to the conduct of the business and affairs of the Foundation.

By-laws

Legal Profession Ordinance Chapter 4

Idem	<p>(2) Without limiting the generality of subsection (1), the board may make by-laws regarding</p> <ul style="list-style-type: none">(a) the number and designation of officers of the Foundation;(b) the appointment of and terms of office of officers of the Foundation and all matters relating to their offices;(c) the resignation or removal from office of officers of the Foundation;(d) the number and designations of employees of the Foundation other than officers, and their terms and conditions of employment;(e) the remuneration, if any, of officers and employees of the Foundation, and(f) the operation of the Law Foundation Account.
Application of funds	<p>54.(1) The board shall apply, and cause to be applied, the funds of the Foundation, in such manner as the board may decide, in carrying out the objects of the Foundation.</p>
Funds	<p>(2) The funds of the Foundation shall consist of all sums paid to the Foundation pursuant to section 57, interest accruing from investment of the funds of the Foundation, and any other moneys received by the Foundation.</p>
Disbursements from funds	<p>(3) There shall be paid out of the funds of the Foundation the costs, charges and expenses involved in the administration of the Foundation, and the costs, charges, and expenses incurred by the board in carrying out the objects of the Foundation.</p>
Expenses of directors	<p>(4) No director may receive any remuneration for his services but the directors shall be entitled to be paid out of the funds of the Foundation their reasonable travelling and living expenses while absent from their respective ordinary places of residence in the course of their duties as members of the board.</p>
Deposit of funds	<p>(5) All funds of the Foundation shall, pending investment or application in accordance with this section, be paid into a bank, treasury branch, credit union or trust company in the Territories to the credit of a separate account to be called the "Law Foundation Account".</p>
Investment of funds	<p>(6) Any funds that are not immediately required for the purposes of the Foundation may be invested in the name of the Foundation by the directors but in so doing the directors are not subject to the provisions of the <i>Trustee Ordinance</i> respecting the investment of trust funds.</p>

Legal Profession Ordinance Chapter 4

(7) The accounts of the Foundation shall be audited annually by a chartered accountant or a certified general accountant appointed by the board. Audit

55.(1) After the end of each year, the Foundation shall prepare and submit to the Executive a report consisting of Annual report

(a) a general summary of its transactions and affairs during that year, its revenues and expenditures during that year,

(b) an audited balance sheet, and

(c) such other information as the Executive may require.

(2) Upon receiving a report under subsection (1), the Executive shall cause a copy of it to be tabled in Council if it is then in session, and if not, within five days after the commencement of the next ensuing session. Tabling of report
before Council

56. The Foundation may borrow or raise or secure the payment of money upon the credit of the Foundation from time to time as the board of directors thinks fit to fulfil the objects of the Foundation and may for that purpose issue notes, bonds, debentures, debenture stock or other evidences of indebtedness. Borrowing

57.(1) Every member (or firm of more than one member which shall be included in the term "member") shall maintain an interest-bearing trust account in a bank, trust company, credit union or treasury branch into which he shall deposit any moneys received by him upon trust from or on account of any client and shall instruct the bank, trust company, credit union or treasury branch to remit the interest earned thereon to the Foundation semi-annually and such interest thereupon becomes the property of the Foundation. Trust accounts

(2) A member is not liable, by virtue of the relation between the member and his client, to account to any client for interest earned on money deposited in the bank, trust company, credit union or treasury branch pursuant to subsection (1). Interest

(3) Nothing in this Part affects any arrangement made between a member and his client to deposit money received from or on behalf of the client or to which the client is entitled, in a separate account for the client at interest, which interest shall be the property of the client. Idem

58. Upon the dissolution of the Foundation, the net assets thereof shall be paid to the Society to be used for such purposes as the Society shall determine. Dissolution of
foundation



DESIGN: INKIT LTD., YELLOWKNIFE
PRINTING: H&H PRINTING SERVICES LTD., YELLOWKNIFE