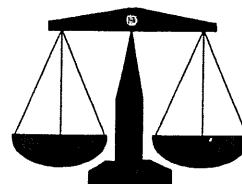


NORTHWEST TERRITORIES LAW FOUNDATION

Twenty-Fourth Annual Report for the
Fiscal Year Ending June 30, 2006

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 30th, 2006 pursuant to the *Legal Profession Act*.

The Law Foundation made five grants during the year totaling \$91120.84, details of which are outlined in this report. In conjunction with John U. Bayly Memorial Prize the Law Foundation approved funding for 2 members of the Law Society of the Northwest Territories to attend mediation workshops.

This year the Northwest Territories Law Foundation/Graeme Garson Bursary Fund awarded \$5,000.00 scholarships to each of Magnolia Unka, Menelik Tessema, Jill Kelln and Stephen Mansell, all residents of the Northwest Territories attending Canadian law schools in 2006/07.

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 7th day of NOV, 2006.

A handwritten signature in black ink that reads "Glenn Tait".

Glenn Tait
Chair.

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 2005-2006

CHAIR:	GLENN TAIT
FIRST VICE-CHAIR:	GERARD K. PHILLIPS
DIRECTOR:	SCOTT DUKE
DIRECTOR:	EMERALD MURPHY
LAW MEMBER:	DARRELL BEAULIEU
EXECUTIVE MANAGER:	WENDY CARTER

Northwest Territories Law Foundation

Financial Statements

For the year ended June 30, 2006

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Northwest Territories Law Foundation

Statement of Operations

For the year ended June 30, 2006

	June 30 2006	June 30 2005
	\$	\$
Revenue		
Interest - Trust accounts of practitioners in banks	170,623	88,631
Investment income (Note 1)	(2,875)	39,541
Recovery of unaccessed grants - 2002	-	1,500
Donation	-	300
	167,748	129,972
Expenditures		
Administration fees	13,898	13,625
Grants	91,121	113,044
Investment management fee	2,341	-
Office and miscellaneous	6,848	1,474
Printing	265	181
Professional fees	1,097	1,288
	115,570	129,612
Excess revenue (expenditures)	52,178	360

Northwest Territories Law Foundation

Notes to the Financial Statements

For the year ended June 30, 2006

June 30 2006	June 30 2005
\$	\$

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.

2 Statement of Cash Flows

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

Northwest Territories Law Foundation

Notes to the Financial Statements

For the year ended June 30, 2006

	June 30 2006	June 30 2005
	\$	\$
3 Investments (continued)		
Fixed income investments from previous page	560,871	580,713
Guaranteed investment fund (Mutual funds/segregated funds)		
Manulife Fidelity Growth	79,361	79,094
Manulife Fidelity Intl Portfolio	94,894	87,782
Manulife BPI Global Equity	66,731	63,690
Manulife Mix U.S. Large Cap Growth	52,118	56,571
Manulife AGF Amer Growth	-	-
	293,104	287,137
Cash content of investment accounts	32,368	25,386
	886,343	893,236

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.