



ANNUAL REPORT

November 1, 2008 to October 31, 2009

INTRODUCTION

The Yukon Law Foundation was initially authorized in the Legal Profession Ordinance by amendments made in 1975, but was not actually established by the Government of Yukon until 1979. The Foundation now carries on its mandate under the Yukon *Legal Profession Act* proclaimed April 1, 1985.

The Foundation receives all its revenue from interest on the trust accounts of the lawyers practising law in the Yukon and from interest on the Foundation's investments. The money available to the Foundation to pursue its objectives will therefore vary from year to year depending on the amount of client money held in trust in a lawyer's trust account. For the year ending October 31, 2009 the interest paid to the Foundation was \$18,067. For the year ending October 31, 2008, the interest paid to the Foundation was \$203,026. The decrease in interest received during this fiscal year reflects the unprecedented low bank interest rates.

Work has been undertaken to renegotiate rates with the five local banks to ensure there is a minimum (floor) interest rate when prime rate is as low as it has been recently. The Law Foundation depends entirely on the interest on lawyers' trust accounts to provide funding for grants and scholarships to Yukoners and Yukon organizations.

Individuals or organizations wishing to apply for a grant from the Yukon Law Foundation should contact the Law Foundation at the following:

Yukon Law Foundation
Box 31789
Whitehorse, Yukon Y1A 6L3
Phone: (867) 667-7500
Fax: (867) 393-3904
E-mail: execdir@yukonlawfoundation.com
Web Site: www.yukonlawfoundation.com

The Board meets a minimum of twice per year for general grant applications (April and September) and once per year in September to review scholarship applications.

OBJECTIVES

As noted in the Introduction, the Yukon Law Foundation is the recipient of the interest, which banks must pay on the trust accounts of lawyers practising law in the Yukon. The objectives of the Foundation are to use these funds, as the Board of Directors see fit, for:

- **conducting research into and recommending reform of law and the administration of justice;**
- **establishing, maintaining and operating law libraries for public use;**
- **contributing to the legal education and knowledge of members and the people of the Yukon and providing programs and facilities therefore;**
- **legal aid programs and programs of like nature for the benefit of persons unable to afford the legal services they require;**
- **contributing to the Assurance Fund;**
- **contributing to the cost incurred by the Law Society in relation to proceedings under Part 3 of the *Legal Profession Act*; and,**
- **doing all other things that are incidental or conducive to the attaining of the objects enumerated in the preceding paragraphs.**

ADMINISTRATION AND GRANTS

The affairs of the Yukon Law Foundation are conducted by a Board of Directors comprised of six members, three being appointed by the Commissioner in Executive Council and three being appointed by The Law Society of Yukon. The Board members serve for a period of two years and can be reappointed. The Chair is appointed from within the membership.

The members of the Yukon Law Foundation Board during the 2008-09 fiscal year were:

Appointed by The Law Society of Yukon

Chair: Malcolm E.J. Campbell
(term expired May 30, 2009)
Michael Reynolds
(appointed as Chair in September)

Board Members: Lesley McCullough
Rick Smith

Appointed by the Commissioner in Executive Council

Board Members: Thomas Ullyett
Michael Reynolds
Janet Wood
Norah Mooney (appointed in September)

The Board contracts an Executive Director for the Yukon Law Foundation.

Executive Director: Deana Lemke

The Board of Directors meets to consider applications and issues. Decisions of the Foundation are made in accordance with the wishes of the majority of the members present at a meeting. The Foundation presents a record of its financial position at each meeting and grants are considered in light of the revenues of the Foundation and the merits of each application. Applicants who receive grants are required to acknowledge in their grant activities the funding involvement of the Foundation.

PROJECTS ACCEPTED

Grants accepted for the fiscal year ending October 31, 2009 are as follows:

Associations & Organizations

Law Society of Yukon	
o CanLII Levy (half of annual fee)	\$ 3,812
Lynn MacDiarmid	
o Headnotes for the 2008 Yukon Law Reports	\$10,000
Yukon Human Rights Commission	
o Training Trainers in Duty to Accommodate Education and Policy Development	\$19,580
Supreme Court of Yukon Territory	
o Bench and Bar Seminar	\$ 5,400
Yukon Legal Services Society	
o Poverty Law pilot project (staff lawyer position)	\$ 30,000
Yukon Public Legal Education Association	
o Reprinting booklet: <i>A Child's Right to Love</i>	\$ 2,275

Law Libraries

Law Library Society of Yukon	
o Textbooks	\$ 4,310
Law Library Society of Yukon	
o Subscriptions	\$ 33,720

SCHOLARSHIPS

- A total of 8 scholarships were granted to Yukon students totalling \$12,800.
- One scholarship for the Professional Legal Training Course was awarded for \$1,500.

AUDIT

The accounting firm of MacKay LLP was retained to provide audited Financial Statements for the Yukon Law Foundation for the fiscal year ending October 31, 2009. Those statements are attached to this report.



Mike Reynolds
Chair
Yukon Law Foundation

Yukon Law Foundation

Financial Statements

October 31, 2009

Yukon Law Foundation

Financial Statements

October 31, 2009

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Management Responsibility Statement

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and are considered by management to present fairly the financial position and results of operations.

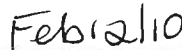
Management is also responsible for implementing and maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that financial records are properly maintained to provide reliable information for the preparation of financial statements.

Management is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The financial statements have been reviewed and approved by management.

MacKay LLP, an independent firm of Chartered Accountants, has been engaged to examine the financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the financial statements, follows.



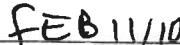
Executive Director



Date



Director of the Board



Date

Auditors' Report

To the Directors of Yukon Law Foundation

We have audited the balance sheet of Yukon Law Foundation as at October 31, 2009 and the statements of operations, changes in net assets and cash flows 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 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 Foundation as at October 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Whitehorse, Canada

January 12, 2010

Mackay LLP
Chartered Accountants

Yukon Law Foundation

Statement of Operations

For the year ended October 31,

2009

2008

Revenues

Contributions	\$ 18,067	\$ 203,026
Donations	271	-
Interest	4,187	11,835
Brian Morris donations	-	6,712
Recoveries - Grants and scholarships	1,980	-

24,505

221,573

Expenditures

Advertising and promotion	2,754	2,284
Brian Morris donation	-	7,700
Contract service	14,445	7,245
Grants	109,097	69,347
Meetings	142	909
Office	1,452	1,257
Professional fees	4,673	4,389
Scholarships	14,300	15,000
Telephone and utilities	2,431	808
Travel	3,057	4,580

152,351

113,519

Excess (deficiency) of revenues over expenditures

\$ (127,846)

\$ 108,054

Yukon Law Foundation**Statement of Changes in Net Assets**

For the year ended October 31,

	Invested in Property & Equipment	Unrestricted	Total 2009	Total 2008
Balance, beginning of year	\$ 1,363	\$ 553,932	\$ 555,295	\$ 447,241
Excess (deficiency) of revenues over expenditures	-	(127,846)	(127,846)	108,054
Balance, end of year	\$ 1,363	\$ 426,086	\$ 427,449	\$ 555,295

Yukon Law Foundation

Balance Sheet

October 31, 2009 2008

Assets

Current

Cash	\$ 24,531	\$ 46,889
Contributions receivable (note 2)	1,032	22,858
Short-term investments (note 3)	414,703	498,365

440,266 568,112

Property and equipment (note 4) 1,363 1,363

\$ 441,629 \$ 569,475

Liabilities

Current

Accounts payable and accrued liabilities	\$ 14,180	\$ 14,180
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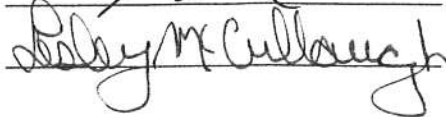
Net Assets

Invested in Property & Equipment	1,363	1,363
Unrestricted	426,086	553,932

427,449 555,295

\$ 441,629 \$ 569,475

Approved by the directors:

	Director
	Director

Yukon Law Foundation

Statement of Cash Flows

For the year ended October 31,

2009

2008

Cash provided by (used for)

Operating activities

Excess (deficiency) of revenues over expenditures over expenditures	\$ (127,846)	\$ 108,054
Change in non-cash working capital items		
Contributions receivable	21,826	23,344
Accounts payable and accrued liabilities	-	(8,655)

Increase (decrease) in cash (106,020) 122,743

Cash, beginning of year 545,254 422,511

Cash, end of year \$ 439,234 \$ 545,254

Cash consists of:

Cash	\$ 24,531	\$ 46,889
Short-term investments	414,703	498,365
	\$ 439,234	\$ 545,254

Supplemental cash flow information

The Foundation had the following cash transactions:

Interest received	\$ 6,807	\$ 11,835
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Yukon Law Foundation

Notes to the Financial Statements

October 31, 2009

1. Nature of operations

Yukon Law Foundation is administered by, and pursuant to, the provision of the Legal Profession Act of the Yukon Territory, and is organized to receive and manage property and money which is to be used for legal education, programs, and libraries.

2. Significant accounting policies

The following is a summary of the significant accounting policies used by management in the preparation of these financial statements.

(a) Change in accounting policies

Capital disclosures

Effective November 1, 2008, the Foundation adopted the new CICA Section 1535, Capital disclosures. The section establishes standards for disclosing information that enables users of financial statements to evaluate how an entity manages its capital structure, its objectives, policies and processes for managing its capital, quantitative data about what the Foundation regards as capital and whether the Foundation has complied with any capital requirements and, if it has not complied, the consequence of such non-compliance. As this section only addresses disclosure requirements, there is no impact on the Foundation's Financial Statements.

Financial Instruments

Effective November 1, 2008, the Foundation adopted the new CICA Handbook Sections 3862, Financial Instruments – Disclosures and 3863, Financial Instruments – Presentation. These Sections required the disclosure of information with regards to the significance of financial instruments for the Foundation's financial position and operations, the nature and extent of risks arising from the financial instruments to which the Foundation is exposed during the period, and at the balance sheet date, and how the Foundation manages those risks. These Sections replace CICA Handbook Section 3861 "Financial Instruments – Disclosure and Presentation". The additional disclosures required as a result of adopting these standards are included in note 3. These standards have been implemented prospectively.

(b) Capital management

The Foundation's capital consists of accumulated surplus of revenues over expenses. Management manages the capital through investment policies that seek to achieve a conservative balance of capital preservation and long-term capital appreciation. The objective is to ensure adequate capital is on hand to meet current and future grant commitments with the objectives of the Foundation.

(c) Short-term investments

Investments are recorded at fair value. Interest earned on investments is recorded on the accrual basis.

Yukon Law Foundation

Notes to the Financial Statements

October 31, 2009

2. Significant accounting policies (continued)

(d) Property and equipment

Property and equipment are recorded at cost with a corresponding increase in net assets invested in property and equipment.

(e) Financial instruments

The Foundation's financial instruments recognized in the balance sheet consist of cash, short-term investments, contribution receivable, accounts payable and accrued liabilities. The carrying values approximate fair values given their short-term nature. The fair value of short-term investments is disclosed in note 3.

(f) Contribution revenue

The Foundation receives contributions of the interest earned on the trust accounts of Yukon solicitors directly from the financial institutions involved. The Foundation records these amounts when they can be specifically identified.

(g) Grants

Grants are treated as expenditures at the time the grants are approved by the Foundation. All unpaid, but approved grants, are included as grants payable. Approved grants which are not claimed within the required time frame are reversed and reduce the grants expenditures in the year they are reversed.

3. Short-term investments

Notwithstanding the designation of the investments as Held for Trading, it is not the intention of the Foundation to actively engage in the purchase and sale of securities on a short-term basis, but primarily to meet liquidity needs if and when they may arise. Effective November 1, 2008, the investment policy specifies maximum levels of direct equity market exposure, in addition to fixed and variable rate investments. The policy addresses issues of diversification, asset allocation, investment concentration and minimum credit ratings. Investment decisions are made in close consultation with an experienced professional portfolio advisor.

	2009	2008
Guaranteed Investment Certificates	\$ 414,703	\$ 498,365

Interest rate risk arises from holding fixed interest rate investments, where the value of the interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

4. Property and equipment

	2009	2008
Equipment	\$ 1,363	\$ 1,363