



ANNUAL REPORT

November 1, 2009 to October 31, 2010

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 into force on April 1, 1985.

The Foundation receives all its revenue from interest on the trust accounts of the lawyers practicing 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, 2010 the interest received by the Foundation was \$21,820. For the year ending October 31, 2009, the interest received by the Foundation was \$18,067.

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 communicate with:

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 a 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 practicing 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.**

BOARD MEMBERSHIP

The affairs of the Yukon Law Foundation are conducted by a Board of Directors composed 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 at a time.

The members of the Yukon Law Foundation Board during the 2007- 2008 fiscal year were:

Appointed by the Law Society of Yukon

Board Members: Lesley McCullough
 Rick Smith
 Norah Mooney

Appointed by Government of Yukon

Board Members: Mike Reynolds
 Thomas Ullyett
 Janet Wood

The Board selects its own Chair from its membership.

Chair: Mike Reynolds

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.

GRANTS

Grant funding was approved during the fiscal year ending October 31, 2010 for the following projects:

Associations and Organizations

- Fetal Alcohol Syndrome Society Yukon \$33,040
- Yukon River Inter-Tribal Watershed Council \$ 3,500
- Yukon Legal Services Society \$15,000
- Yukon Learn Society \$ 2,822

Law Library

- Law Library Society of Yukon
 - Textbooks and Subscriptions \$36,470

Grants Approved Total: \$90,832

SCHOLARSHIPS

- A total of nine scholarships were issued to Yukon students totalling \$9,500.
- Four scholarships for the Professional Legal Training Course were awarded for a total of \$5,250.

ACCOUNTING

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, 2010. Those statements are included in this report.



Mike Reynolds
Chair
Yukon Law Foundation

Yukon Law Foundation

Financial Statements

October 31, 2010

Yukon Law Foundation

Financial Statements

October 31, 2010

	Page
Management Responsibility Statement	3
Auditors' Report	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Balance Sheet	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 11

MacKay LLP

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

February 18, 2011
Date



Director of the Board

Feb 18/11
Date

Auditors' Report

To the Directors of Yukon Law Foundation

We have audited the balance sheet of Yukon Law Foundation as at October 31, 2010 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, 2010 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, 2011**

The image shows a handwritten signature in black ink that reads "Mackay LLP". The signature is written in a cursive, flowing style.

Chartered Accountants

Yukon Law Foundation

Statement of Operations

For the year ended October 31,	2010	2009
Revenues		
Contributions	\$ 21,820	\$ 18,067
Interest	4,289	4,187
Donations	-	271
Recoveries - Grants and Scholarships	-	1,980
	26,109	24,505
Expenditures		
Advertising and promotion	2,408	2,754
Contract service	15,750	14,445
Grants	90,832	109,097
Meetings	432	142
Office	1,483	1,452
Professional fees	5,811	4,673
Scholarships	14,750	14,300
Telephone and utilities	2,075	2,431
Travel	3,663	3,057
	137,204	152,351
Deficiency of revenues over expenditures	\$ (111,095)	\$ (127,846)

Yukon Law Foundation

Statement of Changes in Net Assets

For the year ended October 31, 2010

	Invested in Property & Equipment	Unrestricted	Total 2010	Total 2009
Balance, beginning of year	\$ 1,363	\$ 426,086	\$ 427,449	\$ 555,295
Deficiency of revenues over expenditures	-	(111,095)	(111,095)	(127,846)
Balance, end of year	\$ 1,363	\$ 314,991	\$ 316,354	\$ 427,449

Yukon Law Foundation

Balance Sheet

October 31, 2010 2009

Assets

Current

Cash	\$ 40,720	\$ 24,531
Contributions receivable (note 2 (e))	6,136	1,032
Short-term investments (note 3)	303,516	414,703

350,372 440,266

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

\$ 351,735 **\$ 441,629**

Liability

Current

Accounts payable and accrued liabilities	\$ 35,381	\$ 14,180
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Net Assets

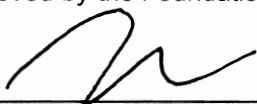
Invested in Property & Equipment	1,363	1,363
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Unrestricted	314,991	426,086
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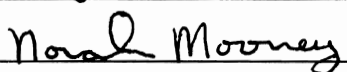
316,354 **427,449**

\$ 351,735 **\$ 441,629**

Approved by the Foundation:



Director



Director

Yukon Law Foundation

Statement of Cash Flows

For the year ended October 31,	2010	2009
Cash provided by (used for)		
Operating activities		
Deficiency of revenues over expenditures	\$ (111,095)	\$ (127,846)
Change in non-cash working capital items		
Contributions receivable	(5,104)	21,826
Accounts payable and accrued liabilities	21,201	-
Decrease in cash	(94,998)	(106,020)
Cash, beginning of year	439,234	545,254
Cash, end of year	\$ 344,236	\$ 439,234
Cash consists of:		
Cash	\$ 40,720	\$ 24,531
Short-term investments	303,516	414,703
	\$ 344,236	\$ 439,234
Supplemental cash flow information		
The Foundation had the following cash transactions:		
Interest received	\$ 1,111	\$ 6,807

Yukon Law Foundation

Notes to the Financial Statements

October 31, 2010

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) Capital management

Effective November 1, 2009 the Foundation adopted the "Capital Disclosures" accounting standard issued by the CICA. This new standard requires the Foundation to provide additional disclosures in order to evaluate the Foundation's objectives, policies and process for managing its capital.

(b) Short-term investments

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

(c) Property and equipment

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

(d) Financial instruments

All financial instruments are initially recognized at fair value on the balance sheet date. The Foundation has classified each financial instrument into the following categories: held for trading financial assets and liabilities; available for sale financial assets; loans and receivables and other financial liabilities. Subsequent measurement of the financial instruments is based on their classification. Unrealized gain and losses on held for trading financial instruments are recognized in the statement of operations. Upon adoption and with any new financial instrument, an irrevocable election is available that allows entities to classify any financial asset or financial liability as held for trading, even if the financial instrument does not meet the criteria to designate it as held for trading. The Foundation has elected to classify its cash and investments as held for trading, which are measured at fair value.

The Foundation has adopted Canadian Institute of Chartered Accountants (CICA) Handbook section 3862 and 3863 for the fiscal year ending November 1, 2009. The additional disclosure required as a result of adopting these standards are included in note 3.

(e) 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.

Yukon Law Foundation

Notes to the Financial Statements

October 31, 2010

2. Significant accounting policies (continued)

(f) 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.

	2010	2009
Guaranteed Investment Certificates	\$ 303,516	\$ 414,703

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.

Credit risk arises from the potential for an investee to fail. Credit risk is managed by the Foundation's Board of Directors in accordance with their investment policy.

Currency risk arises from financial instruments that are denominated in a currency other than the Canadian dollar.

4. Property and equipment

	2010	2009
Equipment	\$ 1,363	\$ 1,363

5. 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. The Foundation is not subject to any externally imposed capital requirements.

Yukon Law Foundation

Notes to the Financial Statements

October 31, 2010

6. Financial instruments

The Foundation's financial instruments recognized in the balance sheet consist of cash, investments, accrued interest, 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.