

INTRODUCTION

Inception The Nunavut Law Foundation (the “Foundation”) came into being on or about January 12, 2001 upon the transfer of the Nunavut share of capital assets of the Law Foundation of the Northwest Territories.

Authority The Foundation is established by and derives its authority from Part VII of the *Legal Professions Act*, RSNWT 1988, and c. L-2, (the “Act”) as amended for Nunavut pursuant to section 76.05 of the *Nunavut Act* (Canada).

Directors Pursuant to section 52 of the Act, the affairs of the Foundation are governed by a Board of Directors composed of four persons appointed by the Law Society of Nunavut (the “Society”) from among its members and one person who is not a member to be appointed by the Minister. Under the Act, the Directors have the authority to decide all aspects of its governance and are required annually to report on their activities to the Society.

The Directors of the Foundation at December 31, 2022:

Appointed by the Law Society:

Sarah Arngna’naaq	Chair, Yellowknife Since October 2020
Kyle DeYoung	Director, Halifax
Eamonn Carroll	Director, Iqaluit
Eva Tache-Green	Director, Iqaluit

Appointed by the Minister:

Vacant	Director- Public Representative
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Foundation Administrator:

Nalini Vaddapalli

Auditors The auditors of the Foundation are EPR Yellowknife Accounting Professional Corporation, Chartered Professional Accountants, Yellowknife, NT.

Contact Persons interested in information about the affairs of the Foundation or about applying for a grant from the Foundation may direct enquiries as follows:

Nunavut Law Foundation
Att: Nalini Vaddapalli
P.O. Box 69 I
Iqaluit, NU X0A 0H0
Tel: (867) 979-2330
Fax: (867) 979-2333
e-mail: administrator@nulf.ca

MANDATE

The Nunavut Law Foundation was created through the *Consolidation of Legal Professions Act* (the “Act”). Through the Law Society of Nunavut (the “Society”), we collect and manage certain funds from lawyers practicing in Nunavut. We are mandated to advance several law-related objectives, as set out in the Act.

Pursuant to subsection 57(2) of the Act, all lawyers who are members of the Law Society are required to maintain an interest bearing trust account. Any interest earned on the monies held in trust are then supposed to be remitted to the Foundation. Unfortunately since the Foundation was established, there has been very little interest accruing from trust accounts actually held in Nunavut. As a necessary alternative, the Society collects a special levy from all members who are not required to maintain a trust account (i.e. government workers). The interest and capital from our fund are used for:

- I. Conducting and contributing to research into and recommending law reform and improving the administration of justice,
- II. Contributing to the establishment, maintenance and operation of law libraries,
- III. Contributing to the legal education and knowledge of members and of the people of Nunavut and providing programs and facilities for that purpose,
- IV. Awarding bursaries and scholarships for the study of law or related subjects, and
- V. Providing assistance to legal aid programs, restorative justice programs and programs of a similar nature.

In addition, subsections 54(3) and (4) of the Act allow the Nunavut Law Foundation to incur administration costs and director expenses. They include professional fees for translation, communication and annual audit; and travel expenses to attend the annual meeting of the Association of Canadian Law Foundations.

REPORT FROM THE CHAIRPERSON

Board of Directors

The Board of Directors for the Nunavut Law Foundation is supposed to be comprised of five individuals. Four directors are appointed by the Executive from the membership of the Law Society of Nunavut and one member is appointed by the Minister of Justice from the general public. During the 2022 year, the Board had all four members from the Law Society however there was no member from the public. That appointment is expected to occur in the 2023 year.

My name is Sarah Arngna'naaq and I am the Chairperson of the Board of Directors. I was first appointed to the Board in the fall of 2018 and I have been the Chairperson since October 2020. Aside from awarding the regular awards and grants, the focus of my tenure as Chairperson has been securing an increase in our long-term, sustainable funding through the enforcement of section 57(2) of the *Legal Professions Act*. The Board is hopeful that with additional funds, we will be able to increase the Foundation's capacity to fulfill our mandate.

Lucien Ukaliannuk Awards for Law or Law-Related Studies

Lucien Ukaliannuk was a respected Inuit Elder, who passed away on September 29, 2007. Prior to his passing, Mr. Ukaliannuk worked as the Inuit Qaujimajatuqangit Advisor in the Government of Nunavut Department of Justice in Iqaluit. He was also the Inuit Law Instructor and Mentor to the Akitsiraq Law Students. The Foundation wishes to honour Lucien's memory with this award for deserving persons who undertake studies that further the objects of the Foundation.

The Board was pleased to award two Inuit recipients also recent graduates of the Nunavut Law Program. All applicants demonstrated financial need as well as a strong commitment to Nunavut. We wish them all well as they transition from law school to the practice of law. In addition, a long-time Nunavut resident completing a Bachelor of Arts in Law, Justice and Society, at Dalhousie University, was a well-deserved recipient.

The recipients are:

- Marley Dunkers, Articling Student, Nunavut Law School Program
- Kirsten MacDonald, Bachelor of Arts – Law, Justice and Society; Dalhousie University
- Jasmine Redfern, Articling Student, Nunavut Law School Program

Upinnaqtuq Awards

The Nunavut Law Foundation created the Upinnaqtuq Awards in 2011 to honour Madam Justice Beverley Browne. Justice Browne was first appointed to the Supreme Court of the Northwest Territories in 1990 and was later appointed as the first Chief Justice for the Nunavut Court of Justice when Nunavut was created in 1999. The Upinnaqtuq Awards were created to celebrate her commitment to volunteerism in Nunavut's communities, commitment to social justice, and dedication to working with youth. Justice Browne passed away in March of 2021.

The Upinnaqtuq Awards were stalled during the COVID-19 pandemic, however the award process began again in the 2022 year. The Foundation was pleased to award ten deserving youth with this award in 2022. You can [learn more about the award and past recipients on our website](#).

This year's recipients are:

- Eekeeluak Avalak from Cambridge Bay
- Aggiu Dimitruk from Cambridge Bay
- Qajaaq Ittinuar from Chesterfield Inlet
- Catherine Gibbons from Arviat
- James Kolola from Kimmirut
- Nolan Kuluguqtuq from Pangnirtung
- Raymonde Lonla Talekang from Iqaluit
- Jerimah Nuqingaq from Iqaluit
- Abigail Tunnille from Kinngait
- Youth from Iqaluit (Inuksuk High School)

Interest on Lawyer Trust Accounts - Update

In 2021 the Board began a process to correct a long-standing error related to interest on lawyer trust accounts ("IOLTA"). Throughout the 2022 year we continued discussions both internally and with stakeholders in an effort to ensure a smooth transition to enforcement of subsection 57(2) of the *Legal Professions Act* in the beginning of the 2024 membership year. A remind of the change has been issued and there is an expectation that members of the Law Society of Nunavut who maintain a trust account will come into compliance with the subsection as required.

Other

Website: The Foundation is maintaining its website: www.nunavutlawfoundation.ca. If you would like an update on our work throughout the year, please visit the [updates and announcements](#) webpage.

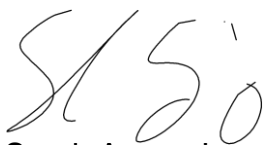
Investments: Over the last year, we have monitored the investment performance. This year, the Foundation's investments did not do well however this is consistent with the Canadian economy over the course of the year. We expect our investments to recover as the economy does in the 2023 year.

General Grant: We completed an update of the General Grant application and review process.

Revenue: The Foundation continues to be limited in its annual revenue. We operate using income from investments accruing from a single lump sum payment from the Law Society of the Northwest Territories at division and the annual levies that non-trust account bearing members pay. We are hopeful that after completing the process of enforcing section 57(2) of the *Legal Professions Act*, the Foundation's annual revenue will increase. With an increase in revenue, we expect an increase in the Foundation's capacity to fulfill its mandate.

Communications: We ensure continued communications with the Nunavut public through our website, posters, social media and general outreach. We thank every organization that help disseminate the Foundation's various funding opportunities. The Foundation continues to demonstrate its commitment to the Official Languages of Nunavut by ensuring that our public communications and annual report are available in English, French and Inuktitut.

Mat'na.
Nakurmiik.
Qujannamiik.
Quana.
Merci.
Thank you.

A handwritten signature in black ink, appearing to read 'S Arngna'naaq', written in a cursive style.

Sarah Arngna'naaq
Chair, Nunavut Law Foundation

SUMMARY OF 2022 DISBURSEMENTS
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General Grant	\$22,200
Lucien Ukaliannuk Awards	\$10,000
Upinnaqtuq Awards	\$5,000
2021 Award pay out(s)	\$800
Administrative Costs	\$11,780
Professional Fees	\$9,496
<hr/>	
TOTAL	\$59,276

Overview of financial performance

2022 continued to be a challenging time in terms of investments arising from the Covid-19 pandemic. While the Foundation did not make any gain on its investments at year-end, it did receive an increase of \$10,000 in membership levies from the Law Society of Nunavut in comparison from 2021. Accordingly, the Foundation remained and remains at year-end in a very good financial position with an overall year-end balance of \$283,852 – see p. 2/6 of the audited financial statements. Further, the year-end balance is in line with the Foundation’s reserve policy which sets its minimum balance at \$200,000.

The Foundation’s activities slowed down during the pandemic. In 2022, the Foundation ramped up its outreach efforts to ensure its accumulated funds, which include the \$10,000 increase in membership levies transferred from the Law Society of Nunavut, could be spent to support individuals and organizations within its mandate. The Foundation provided \$37,000 in awards and grants which represents approximately \$30,000 more than in 2021 which was a particularly challenging year for most organizations.

While the audited financial statements indicate a loss (unrealized loss because no investments were sold) for fiscal 2022, the Foundation remained at fiscal year-end in an overall solid financial position.

NUNAVUT LAW FOUNDATION
Financial Statements

December 31, 2022

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**YELLOWKNIFE
ACCOUNTING**
PROFESSIONAL CORPORATION

CHARTERED PROFESSIONAL
ACCOUNTANTS

P.O. Box 20072,
4910 – 50th Street
2nd Floor
EPR Yellowknife Building
Yellowknife, NT X1A 3X8

Phone: (867) 669-0242
Fax: (867) 669-7242

www.epryellowknife.ca

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INDEPENDENT AUDITOR'S REPORT

To the Members of the
Nunavut Law Foundation

Opinion

We have audited the financial statements of the Nunavut Law Foundation, which comprise the statement of financial position as at December 31, 2022, and the statements of operations, changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT, continued

- ◆ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- ◆ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

EPR Yellowknife Accounting Prof. Corp.

Yellowknife, NWT
June 17, 2023

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

NUNAVUT LAW FOUNDATION
Statement of Operations
For the year ended December 31, 2022

	2022	2021
Revenues		
Member levies	\$ 48,100	\$ 38,100
Investment income	797	1,688
ACLF meeting reimbursement	2,385	-
Unrealized (loss) gain on investments	(33,204)	7,417
Gain on sale of investments	7,723	7,577
	25,801	54,782
Expenditures		
Awards and grants	38,000	8,554
Interest and bank charges	130	167
Administration	11,780	7,533
Professional fees	9,496	4,074
Travel	5,336	-
	64,742	20,328
(Deficiency) excess of revenues over expenses for the year	\$ (38,941)	\$ 34,454

NUNAVUT LAW FOUNDATION
Statement of Changes in Members' Equity
For the year ended December 31, 2022


	2022	2021
Balance, opening	\$ 322,793	\$ 288,339
(Deficiency) excess of revenues over expenses for the year	(38,941)	34,454
Balance, closing	\$ 283,852	\$ 322,793

NUNAVUT LAW FOUNDATION
Statement of Financial Position
As at December 31, 2022

Statement III

	2022	2021
ASSETS		
Current		
Cash	\$ 3,257	\$ 22,513
Marketable securities	263,712	288,397
Prepaid expenses	3,333	3,333
Due from Law Society of Nunavut	18,100	13,100
	\$ 288,402	\$ 327,343
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 4,550	\$ 4,550
Unrestricted fund	283,852	322,793
	\$ 288,402	\$ 327,343

APPROVED ON BEHALF OF THE BOARD


 _____ Chairperson


 _____ Director

NUNAVUT LAW FOUNDATION
Statement of Cash Flows
For the year ended December 31, 2022

	2022	2021
Operating activities		
(Deficiency) excess of revenues over expenses	\$ (38,941)	\$ 34,454
Change in non-cash working capital items		
Decrease (increase) in marketable securities	24,685	(16,682)
Increase in due from law society of nunavut	(5,000)	(4,925)
(Decrease) increase in cash	(19,256)	12,847
Cash, opening	22,513	9,666
Cash, closing	\$ 3,257	\$ 22,513

1. NATURE OF OPERATIONS

Nunavut Law Foundation is incorporated under the Legal Profession Act of Nunavut. The purpose of the foundation is to conduct research, establish law libraries and contribute to the legal education of members and the people of Nunavut.

The foundation is a not-for-profit organization and is exempt from income tax under Sec. 149(1)(l) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Foundation applies the Canadian accounting standards for not-for-profit organizations.

(a) *Cash*

Cash consists of balances with financial institutions.

(b) *Temporary Investments*

Temporary investments are recorded at market value. Cost for the current year is \$264,188 (2021 - \$266,388). Unrealized gains and losses are recorded directly to the statement of operations.

(c) *Revenue recognition*

Interest and investment income and member levies are recognized as revenue in the period in which they are received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

(d) *Fund accounting*

The Unrestricted Fund accounts for the Foundation's general operating and administrative activities.

(e) *Contributed services*

Volunteers contribute a significant number of hours to the Foundation in carrying out its service delivery activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(f) *Use of estimates*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant item subject to such estimates and assumptions include the valuation of temporary investments and amounts due to and from the Law Society of Nunavut. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(g) Financial instruments

The Foundation's financial instruments consist of cash, temporary investments, advances receivable, due from Law Society of Nunavut, and accounts payable and accrued liabilities.. Unless otherwise noted it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks.

Other price risk - The foundation is exposed to other price risk through its investments in common shares and mutual fund units for which the fair value fluctuates with changes in market prices. Adverse market-wide or investment specific conditions could cause a significant decrease in value.

3. COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Foundation's environment and in the global markets due to the possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Foundation's operations.

The extent of the impact of this outbreak and related containment measures on the Foundation's operations cannot be reliably estimated at this time.