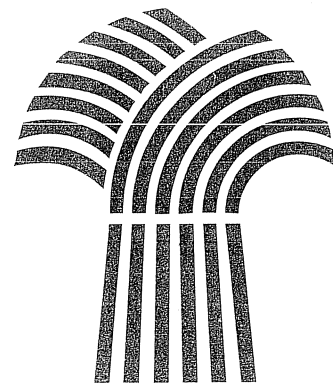


THIRTY-SIXTH
ANNUAL REPORT

2009
(Fiscal Year ended June 30th)



**The Law
Foundation
of Saskatchewan**



THE LAW FOUNDATION

(www.lawfoundation.sk.ca)

The Law Foundation of Saskatchewan
36th Annual Report for the Year Ended June 30, 2009
to the Honourable Minister of Justice of Saskatchewan
and to the Law Society of Saskatchewan,
pursuant to Section 70 of The Legal Profession Act, 1990,
and amendments thereto

The Law Foundation of Saskatchewan was established in 1971. The legislative purpose of the Foundation is to establish and maintain a fund to be used for legal education, legal research, legal aid, law libraries and law reform. The Foundations' funds consist of interest earned on trust funds on deposit in lawyers mixed trust accounts and the investment income earned on those funds. All such trust funds accrue interest at rates negotiated between the Law Foundation and the various financial institutions where lawyers maintain trust accounts. During the year ended June 30, 2009, the total amount of interest earned on lawyers mixed trust accounts and paid to the Foundation was \$2,684,105. Investment income was \$666,667. The income was substantially reduced during the year due to lower interest rates caused by the turmoil in the financial industry.

Since its inception, the Foundation has received total income of \$70,957,382 and made grants totaling \$58,468,360. The financial statements reflect \$6,895,000 in Allocated surplus, to be used for specific future grants identified by the Foundation, the account was reduced by \$550,000 during the year.

The major beneficiaries of the Law Foundations' funds for the year ended 30th June 2009 were the following:

- Saskatchewan Legal Aid Commission, Law Foundation of Saskatchewan Endowment Fund
- Saskatchewan Legal Aid Commission, Case Management Project
- Law Society of Saskatchewan Libraries
- Public Legal Education Association
- Saskatchewan Legal Education Association (now CPLED)
- Native Law Centre, University of Saskatchewan
- Law Reform Commission of Saskatchewan
- Elizabeth Fry Society of Saskatchewan
- College of Law, University of Saskatchewan, Law Foundation of Saskatchewan Endowment Fund
- Saskatoon Sexual Assault & Information Centre
- Community Legal Assistance Services for Saskatoon Inner City Inc. (CLASSIC)
- College of Law expansion, University of Saskatchewan
- Law Foundation of Saskatchewan Endowed Chair in Police Studies – University of Regina
- Pro Bono Law Saskatchewan
- College of Law stipends – LLM candidates
- Aboriginal Law Endowment – University of Saskatchewan
- College of Law – Student Scholarships – University of Saskatchewan
- Federation of Saskatchewan Indian Nations
- Saskatchewan Elocution and Debate Association

An itemized list of all grants authorized by the Law Foundation during 2008-09 fiscal year totaling \$3,800,360 is on Schedule "1" of the Financial Statements attached.

Recent major one time grants include: The establishment of the Saskatchewan Legal Aid Law Foundation of Saskatchewan Endowment Fund with a initial contribution of \$1,100,000, a Chair in Police Studies at the University of Regina with a grant of \$750,000, a major grant of \$3,250,000 made to the University of Saskatchewan, College of Law, Law Foundation of Saskatchewan Endowment Fund, a grant of \$2,500,000 to the University of Regina, Law Foundation of Saskatchewan Endowed Chair in Police Studies, and an additional \$1,000,000 grant to the Legal Aid Association of Saskatchewan, Law Foundation of Saskatchewan Endowment Fund for a total current Endowment of \$2,100,000.

The Grant Stabilization Reserve of \$3,500,000 is intended to be used in years when interest earned on Lawyers' mixed trust accounts and investments is insufficient to fund the core grantees of the Law Foundation who rely on the Foundation for their primary funding.

The Law Foundation meets on a quarterly basis. As Chair, I attended the October 2009 annual meeting of the Canadian Association of Law Foundations held in Ottawa, Ontario, with our Treasurer, Gordon Wicijowski, LLD, FCA. At the annual meeting, the Canadian Law Foundations discussed projects of a national scope and other matters of mutual interest. Representatives of the Saskatchewan Law Foundation continually emphasize the national importance of the Native Law Centre at the University of Saskatchewan and request the ongoing and increased support of the other Foundations for this project. Dr. Youngblood Henderson, Executive Director of the native Law Centre, was a panel member at the Ottawa Conference and he did an excellent overview of the Law Centre and its goal. His presentation generated some positive response and several other provinces have expressed intention to contribute future monies to the Centre.

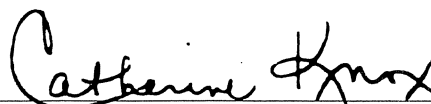
Karen Prisciak, Q.C., the previous Chair of the Law Foundation, retired effective December 31, 2008. I was appointed Chair and Patricia Quaroni Vice-Chair, effective January 1, 2009. Robert Gibbings, Q.C., was appointed to the Law Foundation effective January 1, 2009 and Gerald Tegart, Q.C., replaced Doug Moen, Q.C., from the Ministry of Justice in March 2009.

I am very pleased to have served with the current members of the Law Foundation: Appointed by the Law Society of Saskatchewan are: Catherine Knox (Chair), Patricia Quaroni (Vice-Chair), John McIntosh, Q.C., and Robert Gibbings, Q.C. Government appointments by the Saskatchewan Ministry of Justice are: Gerald Tegart, Q.C., Deputy Attorney General, Ministry of Justice, Gordon Wicijowski, L.L.D., F.C.A. (Treasurer) and Alma Wiebe, Q.C. The Secretary is Robert Arscott, F.C.A.

We are very privileged that the citizens of Saskatchewan allow us to use interest on their trust funds for what we consider to be worthy projects that enhance our community.

ALL OF WHICH IS RESPECTFULLY SUBMITTED.

Dated at Regina, Saskatchewan, this 18th day of December, 2009.



Catherine Knox
Chair

**THE LAW FOUNDATION
OF SASKATCHEWAN**

FINANCIAL STATEMENTS

June 30, 2009

AUDITORS' REPORT

To the Members of
The Law Foundation of Saskatchewan

We have audited the statement of financial position of The Law Foundation of Saskatchewan as at June 30, 2009 and the statements of revenue, expenditures, grants and unallocated revenue 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 June 30, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Regina, Saskatchewan
September 30, 2009

LAW FOUNDATION OF SASKATCHEWAN

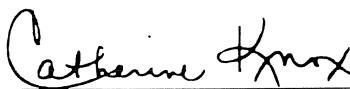
STATEMENT OF FINANCIAL POSITION
30th JUNE 2009

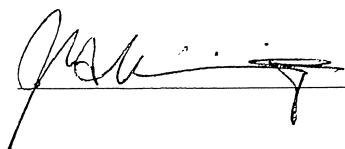
	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash	\$ -0-	\$ 653,700
Cash held by investment dealer	226,322	339,208
Accounts receivable	-0-	4,500
Interest receivable from solicitors' trust accounts	241,380	224,312
Investments (Note "3")	<u>13,871,411</u>	<u>15,574,048</u>
	<u>\$14,339,113</u>	<u>\$16,795,768</u>

LIABILITIES, RESERVE, ALLOCATED AND UNALLOCATED REVENUE

Cash less outstanding cheques	\$ 1,045,020	\$ -0-
Grants payable	<u>2,870,958</u>	<u>5,822,118</u>
	3,915,978	5,822,118
Grant stabilization reserve	3,500,000	3,500,000
Allocated revenue	6,895,000	7,445,000
Unallocated revenue	<u>28,135</u>	<u>28,650</u>
	<u>10,423,135</u>	<u>10,973,650</u>
	<u>\$14,339,113</u>	<u>\$16,795,768</u>

On behalf of the Foundation:

 Chairperson

 Treasurer

LAW FOUNDATION OF SASKATCHEWAN

STATEMENT OF REVENUE, EXPENDITURES, GRANTS,
AND UNALLOCATED REVENUE
FOR THE YEAR ENDED 30th JUNE 2009

	<u>2009</u>	<u>2008</u>
REVENUE:		
Interest from lawyer's mixed trust accounts	\$ 2,684,105	\$ 8,301,754
Interest earned on investments	666,667	601,734
Unclaimed lawyers trust accounts	28,610	19,943
Miscellaneous	<u>-0-</u>	<u>4,474</u>
	3,379,382	8,927,905
EXPENDITURES:		
Administrative		
Foundation members		
- per diem	\$33,125	\$32,750
- meetings		
- regular	7,438	9,139
- special	6,285	3,464
Office, postage, stationery, telephone	18,363	18,151
Office of the Secretary	102,786	96,190
Professional fees	<u>5,830</u>	<u>6,646</u>
	<u>173,827</u>	<u>166,340</u>
EXCESS OF REVENUE OVER EXPENDITURES BEFORE GRANTS	3,205,555	8,761,565
GRANTS AUTHORIZED (Schedule "1")	(3,800,360)	(6,068,194)
GRANTS RECOVERED	<u>44,290</u>	<u>10,911</u>
EXCESS OF EXPENDITURES AND GRANTS OVER REVENUE FOR THE YEAR	(550,515)	2,704,282
TRANSFER FROM (TO) ALLOCATED REVENUE	550,000	(2,600,000)
UNALLOCATED REVENUE, BEGINNING OF YEAR	28,650	16,076
CHANGE IN ACCOUNTING POLICIES (Note "2")	<u>-0-</u>	<u>(91,708)</u>
UNALLOCATED REVENUE, END OF YEAR	<u>\$ 28,135</u>	<u>\$ 28,650</u>

LAW FOUNDATION OF SASKATCHEWAN

NOTES TO THE FINANCIAL STATEMENTS

30TH JUNE 2009

1. NATURE OF THE FOUNDATION

The Law Foundation of Saskatchewan (the "Foundation") is established under the Legal Profession Act of Saskatchewan. The purpose of the Foundation is to establish and maintain a fund to be used for the purposes of legal education, legal research, legal aid, law libraries and law reform. The Foundation is exempt from income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles, and reflect the following policies:

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles required management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from the estimates.

Investments

Investments are classified as held for trading and measured at fair value.

Grants

Grants are expensed at the time they are authorized by the Foundation.

Grant Stabilization Reserve

The Reserve is to provide protection for continuing grants in the event of future revenue reductions.

Interest

Interest income is recorded as earned from client trust accounts of the members of the Law Society of Saskatchewan.

LAW FOUNDATION OF SASKATCHEWAN

NOTES TO THE FINANCIAL STATEMENTS
30TH JUNE 2009

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments

The Foundation's financial instruments consist of cash, bank indebtedness, cash held by investment dealer and investments classified as held for trading, interest receivable from solicitors' trust accounts classified as loans and receivables, and grants payable classified as other liabilities. Unless otherwise indicated, it is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise disclosed in these financial statements. The Foundation records transactions based on the trade date.

Canadian Institute of Chartered Accountants ("CICA") has decided that not for profit organizations will not be required to apply the following sections of the CICA Handbook: 3862 Financial Instruments – Disclosure and 3863 Financial Instruments - Presentations which would otherwise have applied to the financial statements of the Foundation for the year ended June 30, 2009. The Foundation has elected to continue to apply CICA Handbook Section 3861 Financial Instruments – Disclosure and Presentation.

Financial assets and financial liabilities are recorded on the statement of financial position when the Foundation becomes party to the contractual provisions of the financial instrument. Financial instruments are classified according to their characteristics, management objectives or the choice of category in certain circumstances.

All financial assets are classified as held for trading, held to maturity, loans and receivables or available for sale. Held for trading financial assets are carried at fair value with unrealized gains and losses included in revenues. Loans and receivables and other liabilities are recorded at amortized cost using the effective interest method. Financial liabilities are classified as held for trading or other liabilities. Any financial asset or financial liability may be designated as held for trading upon initial recognition.

All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods is dependent on the instrument's classification. Transaction costs are capitalized on initial recognition, except for financial instruments designated as held for trading. In those cases, the transaction costs are expensed.

The following summarizes the adjustments made to the statement of financial position as at July 1, 2007, upon adoption of the CICA Handbook Section 3855 Financial Instruments – Recognition and Measurement standards:

Decrease in investments	\$91,708
Decrease in unallocated revenue	\$91,708

LAW FOUNDATION OF SASKATCHEWAN

NOTES TO THE FINANCIAL STATEMENTS
30TH JUNE 2009

3. LONG TERM INVESTMENTS

	<u>2009</u>		<u>2008</u>	
	<u>Fair value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
Medium term notes				
1 – 3 years	\$815,995	\$795,429	\$1,111,054	\$1,102,448
4 – 7 years	307,581	307,914	100,323	100,931
Guaranteed investment certificates				
1 – 3 years	8,144,274	8,020,000	8,057,055	7,973,000
4 – 7 years	1,718,180	1,655,000	2,657,362	2,585,000
Debentures				
1 – 3 years	106,606	101,950	103,357	102,790
4 – 7 years	99,000	100,000	200,662	201,950
Bonds				
1 – 3 years	2,085,121	1,951,097	2,419,433	2,304,535
4 – 7 years	404,591	398,409	739,072	748,814
Saving accounts	190,063	190,063	185,730	185,730
	<u>\$13,871,411</u>	<u>\$13,519,862</u>	<u>\$15,574,048</u>	<u>\$15,305,198</u>

4. CASH FLOW STATEMENT

A cash flow statement has not been prepared as it would not provide any additional useful information in understanding cash flows for the year.

5. CAPITAL

The Foundation's capital consists of its grant stabilization reserve, allocated revenue and unallocated revenue. The Foundation budgets annually for sufficient capital to meet operating requirements. The Foundation is not subject to significant restrictions related to capital, except as otherwise disclosed in these financial statements.

LAW FOUNDATION OF SASKATCHEWAN

GRANTS AUTHORIZED

30th JUNE 2009

SCHEDULE "1"

Saskatchewan Legal Aid Commission - Endowment	\$ 1,000,000
Law Society Libraries - Annual	727,000
Saskatchewan Legal Aid Commission - Case Management	535,000
Public Legal Education Association - Annual	526,800
Pro Bono Law – Saskatchewan - Annual	220,000
Saskatchewan Legal Education Society Inc. - Annual	204,334
College of Law - Law Foundation of Saskatchewan Endowment Fund	100,000
Native Law Centre – Annual	89,600
Federation of Saskatchewan Indian Nations	80,000
Elizabeth Fry Society of Saskatchewan - Annual	68,714
Law Reform Commission of Saskatchewan - Annual	60,000
College of Law Exchanges and Internship	50,000
Queens Bench Rules and Self Help Materials	42,500
Law Society Libraries - Digitizing Continuing Legal Education Resource Material	17,670
Saskatchewan Farm Securities Act	16,000
Elizabeth Fry Society of Saskatchewan - Research Pine Grove	15,925
Saskatoon Sexual Assault and Information Centre - Annual	13,000
Court of Appeal - Annotated Rules	10,000
Saskatchewan Elocution and Debate Association 2009 - Annual	10,000
The Salvation Army – Correctional and Justice Services - Annual	5,000
CBA Saskatchewan Branch Law Day 2009 - Annual	4,715
Saskatchewan Right to Know Week 2008	3,300
Saskatchewan Elocution and Debate Association - Camera	<u>802</u>
Total	\$ <u>3,800,360</u>