

LAW FOUNDATION OF NOVA SCOTIA

Annual Report 2003-2004

The Law Foundation of Nova Scotia was created by an amendment to the Barristers and Solicitors Act in 1976.

BOARD OF GOVERNORS

The members of the Board of Governors of the Law Foundation in 2003-04 were:

Appointed by the Governor in Council:

Jonathan F.L. Davies (expired March 28, 2004)
Christine A. McCulloch, Q.C. (expires December 19, 2005)

Appointed by the Council of the Nova Scotia Barristers' Society:

Peter Green, Q.C. (expires August 31, 2005)
John S. McFarlane, Q.C. (resigned August 31, 2003)*
Robert G. MacKeigan, Q.C. (expires August 31, 2005)
Robert A. Sampson, (expires August 31, 2004)
Dr. Esmeralda Thornhill (expired August 31, 2003)

Chair, appointed by the Governor in Council on the recommendation of the Council of the Nova Scotia Barristers' Society:

Christine A. McCulloch, Q.C. (Appointment as Chair expires December 19, 2004)

*John S. McFarlane, Q.C. (Resigned to assume the office of 2nd Vice-President of the Nova Scotia Barristers Society)

MANDATE

The objects of the Foundation are "to establish and maintain a fund to be used for the examination, research, revision and reform of and public access to the law, legal education, the administration of justice in the Province and other purposes incidental or conducive to or consequential upon the attainment of any such objects."

Since it was created, the Foundation has paid out more than \$20 million in grants. The revenue generated from trust account interest has supported over 250 organizations involved in a wide variety of programs and projects benefiting the people of Nova Scotia.

REVENUE

The Law Foundation derives its revenue from the interest on lawyers' general trust accounts. The Foundation has arrangements with financial institutions for payment of interest at varying rates.

The prime rate of interest hit a low of 3.75% in January 2002, but by April 2003, it had bounced back to 5%. The rate fell again in July 2003, and as of the date of this report, it was 4%. All indications point to another drop in the prime rate in the second quarter of the year.

The increase in the prime rate early in the year, combined with renegotiated agreements with Scotiabank, CIBC and TD Canada Trust, resulted in an increase in revenue. Income from interest on lawyers' trust accounts for 2003-2004 was \$1,206,674, an increase of 54% over last year's income of \$781,777.

If the prime rate remains at 4% or drops to 3.75% in 2004-2005, the Foundation will see a significant drop in revenue once again.

NEGOTIATIONS WITH FINANCIAL INSTITUTIONS

Last year, the Foundation was pleased to report more favourable agreements had been negotiated with Scotiabank, CIBC and TD Canada Trust. This year, we began negotiations with the Royal Bank but to date, there is no new agreement to report.

RESERVE FUND

The Foundation established a reserve fund in 1986 to maintain grants in periods of low interest rates when current income is insufficient to fund regular grants. Most other Canadian law foundations hold similar reserves.

At the beginning of the fiscal year, the reserve fund had a cost and market value of \$1,963,183 and \$1,664,166 respectively. As of March 31, 2004, it had a total cost of \$2,008,178 and a market value of \$2,189,406. During the 2003/4 fiscal year, dividends, interest, realized gains and unrealized appreciation totaled approximately \$526,000, net of management fees.

GRANTS

- Law Foundation Scholarship Fund

The Law Foundation established a trust fund in 1981 with an initial grant of \$200,000, to provide scholarships to students attending Dalhousie Law School. There have been several

contributions to the fund over the years. The fund currently supports seven scholarships for students entering first year and up to eight scholarships for students in both second and third years. The fund also supports fellowships at the graduate level. In 2003-2004, 22 students were awarded scholarships totalling \$181,000.00.

- 2003-2004 Grants

The Foundation paid out grants of \$1,230,000 in 2002-2003. The Board reduced the grants budget to approximately \$950,000 in 2003-2004 to counter the effects of the 40% drop in revenue during 2001 - 2002 and the 33% drop in revenue in 2002 - 2003. Despite the reduction in the grants budget, the Foundation had to use funds from its operating reserves to meet grant commitments in 2003-2004. The grants budget will remain the same in 2004-2005.

GRANTS APPROVED IN 2003-2004

<u>Avalon Sexual Assault Centre</u>	
Sexual Assault Legal Education Training	68,071.00
<u>Cape Breton Transition House</u>	
Preventive Education: Date Abuse & Spousal Assault	47,867.00
<u>Community Justice Society</u>	
Services for Black Youth – Community Mobilization	39,700.00
<u>Coverdale Courtwork Services</u>	
Interim grant (2003-2004)	12,875.00
Core funding (2004-2005)	51,500.00
<u>Dalhousie Legal Aid</u>	
Core funding	120,000.00
<u>Elizabeth Fry Mainland</u>	
Core funding	64,000.00
<u>Elizabeth Fry Cape Breton</u>	
Core funding	50,000.00
<u>EPIC-IDEA Charity</u>	
Core funding	35,000.00
<u>Halifax Refugee Clinic Association</u>	
Core funding	82,394.00
<u>Law Reform Commission</u>	
Core funding	125,000.00

