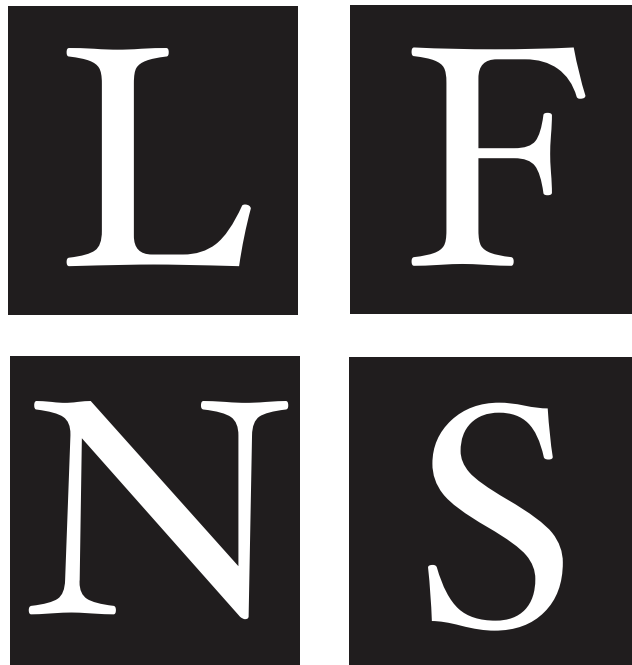


# 2005 - 2006 Annual Report

*Law Foundation  
of Nova Scotia*



CELEBRATING  
**30**  
YEARS

## Administration

The Foundation is administered by a Board of Governors consisting of up to nine members. Up to five directors are appointed by the Governor in Council and four by the Nova Scotia Barristers' Society. The members of the Board of Governors in 2005-06 were:

### Appointed by the Governor in Council:

Jonathan F.L. Davies, Q.C. (term expires June 1, 2006)  
Christine A. McCulloch, Q.C. (term expires December 19, 2007)

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

Peter Green, Q.C. (term expired August 31, 2005)  
Gerard Tompkins, Q.C. (term expires August 31, 2007)  
Robert G. MacKeigan, Q.C. (term expires August 31, 2007)  
Margaret M. MacKenzie (term expires August 31, 2006)  
A. Robert Sampson (term expires August 31, 2006)

### 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, 2007)

The Board meets four times per year, and reviews grant applications at its winter meeting. The Foundation employs a part-time Executive Director, Kerry Oliver, and a part-time Executive Assistant, Kathy Samson.

Information concerning the Foundation's funding guidelines and grant application procedure may be obtained by contacting the Executive Director, or by visiting the Foundation's website at [www.nslawfd.ca](http://www.nslawfd.ca).

## REPORT FROM THE CHAIR

I am pleased to present the Annual Report of the Law Foundation of Nova Scotia for the fiscal year ending March 31, 2006.

### Celebrating 30 Years

This year marks the Law Foundation's 30th anniversary. After many years' work by the Nova Scotia Barristers' Society, the Foundation was created in 1976 by an Act of the Nova Scotia Legislature to receive the interest accruing on lawyers' general trust accounts and to give it back to the community in the form of grants for law-related programs, education and services. The first Board of Governors was appointed in September 1976. R.J. Downie, Q.C. chaired the first full meeting of the Board on May 4, 1977.

Much has been accomplished since then. A grants budget of \$63,000 in 1978 has grown to over \$1.6 million in 2006. Since its creation in 1976, the Foundation has received approximately \$26 million in revenue from interest on lawyers' trust accounts, and has paid out approximately \$24 million in grants and scholarships. These funds have

enhanced the entire system of justice in this province by promoting improvements in the law, excellence within the profession, and by helping more than 250 organizations make the law more understandable and accessible to the public.

In its first full year of operation, the Foundation received \$150,951 in revenue from interest accruing on lawyers' general trust accounts. Revenue for the year ended March 2006 amounted to \$1,831,753. A growing bar and larger trust balances account for much of the increase; in the past year, the overall balance in lawyers' trust accounts in the five major banks in the province amounted to approximately \$1.3 billion. Negotiations with financial institutions have also had a tremendous impact on the Foundation's income, producing more favorable agreements resulting in more money to fund more projects. We value our partnerships with

the financial institutions and we appreciate their support.

The Foundation owes a debt of gratitude to the individuals who have volunteered their time and expertise to serve on the Board of Governors over the years. During the past year, Peter Green Q.C. completed his term on August 31, 2005. Peter was appointed to the Board in August 1999 and served in various capacities over the years, including Treasurer and as a member of the Investment Policies Committee. He also served as a Trustee of the Law Foundation Scholarship Fund. We owe special thanks to Peter for his investment advice.

It is also fitting in this 30th Anniversary year to recognize past Chairs of the Foundation:

1976 - 1979	R.J. Downie, Q.C.
1979 - 1986	K. LeRoy Taylor, Q.C.
1986 - 1996	A. William Cox, Q.C.
1996 - 1998	Harry Wrathall, Q.C. (Acting Chair)
1998 - 2000	Goldie Trager, Q.C.
2000 - 2003	John McFarlane Q.C.

## REVENUE

The Law Foundation's ability to make grants depends on revenue generated primarily from interest on lawyers' pooled trust accounts. The Foundation keeps these funds invested until distribution. Trust account revenue fluctuates with the balances in the trust accounts and the prime rate of interest.

The prime rate rose steadily from 4.25% on April 1, 2005 to 5.5% as of March 31, 2006. As a result, revenue earned from interest on lawyers' trust accounts increased from \$1,126,711 in 2004-2005 to \$1,831,753 in 2005-2006.

## RESERVE FUND

Fluctuations in the Foundation's income are reflected in the amount of money paid out in grants. A severe decline in the prime rate could force the Board to reduce or terminate grants. Because of these fluctuations, the Foundation established a reserve fund in 1986 to be used to maintain regular grants in periods of low interest rates when current income is insufficient to fund these grants.

At the beginning of this fiscal year, the reserve fund had a cost and market value of \$2,178,110 and \$2,353,828 respectively. As of March 31, 2006, it had a total cost of \$2,305,861 and a market value of \$2,805,235. During the 2005/6 fiscal year, dividends, interest, and realized gains on disposal of investments totaled \$127,654, net of management fees.

## GRANTS

### Law Foundation Scholarship Fund

The 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 by the Law Foundation to the fund over the years. The fund provides scholarships valued at \$13,000 for students entering first year, renewable in second and third years. The fund also provides fellowships at the graduate level.

In 2005-2006, 12 students were awarded scholarships totalling \$185,000.00. Five entrance scholarships and eight second and third-year scholarships were awarded. There was one graduate fellowship of \$20,000.

## GRANTS CONT.

### Grants Approved in 2005 - 2006

The Board of Governors strives to be accountable in the distribution of funds received by the Foundation from interest accruing on lawyers' pooled trust accounts. To ensure that potential grantees understand the application process, assistance is available to those who need help with their funding proposals. The Board endeavours to be transparent and consistent in its evaluation of applications. It takes into consideration where programs will operate and who will benefit from them, as well as whether they fit within the Foundation's mandate. Accountability extends to the careful assessment and consistent monitoring of programs that receive funding.

One of the Foundation's challenges relates to geographic distribution of funds. Keeping in mind that the Foundation's revenue comes from all across the province, the challenge is to distribute it for the benefit of the entire province, to where it is most needed and where it will have the most significant impact. In 2005 - 2006, the Board took a more proactive approach. In addition to responding to applications submitted by prospective grantees, the Board contacted all of the Legal Aid Offices across the province to determine whether they knew of unfunded needs in their areas. Two new grants in Antigonish resulted from this process. This year, the Board was delighted to approve 26 grants totalling \$1,605,289, an increase of 40.9% over total grants approved in 2004-2005.

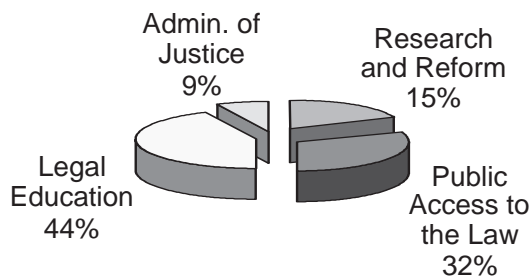
Approximately 76% of the grants will support public legal education, public access to the law, and law student education in Nova Scotia. The remainder will promote the administration of justice in the province and encourage research and reform of the law.

For purposes of this report, grants are categorized according to the Foundation's four mandated objectives. Activities of many of the funded organizations fall under more than one of the objectives.

#### Grants Approved in 2005-2006 Breakdown by Mandate

Research and Reform	247,056
Public Access to Law	512,161
Legal Education	695,214
Administration of Justice	150,858
Total	\$1,605,289

#### Grants According to Mandate





Core Funding (Research & Reform, Public Access & Legal Education)

[illegible]

Community Based Legal Support and Education  
Project (Public Access & Legal Education)

[illegible]

Video - Senior Abuse/Neglect and the Law  
(Legal Education)

[illegible]

Pro Bono Students Canada at Dalhousie  
(Public Access & Legal Education)

[illegible]

Legal Programming Project  
(Public Access & Legal Education)

[illegible]

Access Project - The Legal System (Public Access)

[illegible]

### Tipping the Scales (Public Access, Legal Education & Administration of Justice)

[illegible]

### County Opportunities for Men (New Leaf)

Public Education: Violence Against Women  
(Legal Education)

[illegible]

Crime Prevention Educational Workshops (Legal Education & Administration of Justice)

[illegible]

Classroom renovation and upgrades  
(\$200,000 over 3 years)

[illegible][illegible][illegible]

*Respectfully submitted,*



*Christine McCulloch, Q.C.  
Chair*



*Robert Whitman and Stephanie Skidmore*

## Valley Restorative Justice - Crime Prevention Education Programs and Workshops

“By working with these youth before and during the early stages of conflict, we can become a preventive programming resource addressing the root causes of youth participation in criminal activities.”

Marge DeBodt, *Director, Valley Restorative Justice.*



*Jo-Ann Moss, Darlene MacEachern and Jane Mills*

## Tearmann/New Leaf - Public Education on the Prevention of Violence Against Women

“This program is invaluable in assisting students in identifying abuse and in identifying healthy relationships.”

Karen O'Hara, *Executive Director, Tearmann Society for Battered Women.*



*Kathy Wagstaff*

## Elizabeth Fry Cape Breton

“The Elizabeth Fry Society of Cape Breton is an important component of the Criminal Justice System in Cape Breton..... Our programs and services are utilized by the courts, Crown, Legal Aid and other justice and community organizations on a daily basis and have proven our dedication to providing support to criminalized women as well as monitoring the treatment of women in prison and those involved in the justice system.”

Darlene MacEachern, *Executive Director, Elizabeth Fry Society of Cape Breton.*





*Back Row: Dave Mollica, Scott Barry, Daniel Watt and Mary-Elizabeth Walker.  
Front Row: Amy Anderson and Alayna Iutzi.*

### Dalhousie Law School - Law Foundation of Nova Scotia Scholarships

“Dalhousie Law School competes with other schools across the country to attract the best and brightest law students, and the Law Foundation Scholarships continue to be an essential element of our success in this effort.”

Phillip Saunders, *Dean,  
Dalhousie Law School*

### EPIC - Youth Peer and Parents PEACE Program

“Our partners believe that the more time youth have spent in the Youth Peer Program, the less time they have spent in court, on probation, or in custody.”

Barry Waldman,  
*Supervisor*



*Back Row: Barry Waldman, Barb Donovan, Allyson Dunlop,  
and Emily King. Front: Blair Hill and Wendy MacDonald.*



*Margaret Littlejohn, Bea LeBlanc  
and Bonnie Nicholson*

### Cape Breton Transition House - Preventive Education: Date Abuse and Spousal Assault

“It is ironic to think that education is our most valuable tool in breaking the cycle of violence and funds are not available to carry this out, with the exception of funds from the Law Foundation.”

Bea LeBlanc, *Executive Director,  
Cape Breton Transition House*

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**LAW FOUNDATION OF NOVA SCOTIA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2006**

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## Partners

R. Brian Burgess, CA, CFI  
Brad J. Langille, FCA  
Jerry M. Inman, FCA, TEP  
Kirk D. Higgins, CA, CFE  
J. William Vienneau, CA, CBA, TEP  
Robert Teale Incorporated  
Gregory C. Mosher Incorporated  
Stephanie M. Roberts Incorporated  
Sarah J. Veinot Incorporated

## AUDITORS' REPORT

### To The Board of Governors of the Law Foundation of Nova Scotia

We have audited the statement of financial position of the Law Foundation of Nova Scotia as at March 31, 2006 and the statements of operations and 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.

Except as explained in the following paragraph, 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.

The Law Foundation of Nova Scotia derives substantially all of its revenue from interest credited by financial institutions on Nova Scotia Barristers' Society members' mixed trust funds which is not susceptible to complete audit verification. Accordingly, our verification of revenue from this source was limited to accounting for the amounts received from financial institutions and recorded in the records of the Law Foundation of Nova Scotia.

In our opinion, except for the effect of the adjustments, if any, had interest credited by financial institutions been susceptible to complete audit verification, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2006 and the results of its operations, changes in net assets and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

**CHARTERED ACCOUNTANTS**

Bedford, Nova Scotia

April 25, 2006



A member firm of DFK International, a worldwide association of independent accounting firms and business advisers

# LAW FOUNDATION OF NOVA SCOTIA

## STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2006

	2006	2005
	\$	\$
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	718,396	296,556
Accrued interest receivable - general	10,077	34,458
Accrued interest receivable - restricted	4,139	4,236
Due from Law Foundation of Nova Scotia Scholarship Fund	32,634	13,128
Prepaid expenses	2,625	2,142
	<u>767,871</u>	<u>350,520</u>
INVESTMENTS - GENERAL (note 3)	1,063,096	856,371
INVESTMENTS - RESTRICTED (note 4)	2,305,861	2,178,110
PROPERTY, PLANT AND EQUIPMENT (note 5)	<u>3,801</u>	<u>3,530</u>
	<u>4,140,629</u>	<u>3,388,531</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	6,547	9,803
Designated grants payable (note 6)	<u>1,554,770</u>	<u>1,092,162</u>
	<u>1,561,317</u>	<u>1,101,965</u>
<b>NET ASSETS</b>		
GENERAL FUND	269,312	104,220
RESTRICTED FUND	<u>2,310,000</u>	<u>2,182,346</u>
	<u>2,579,312</u>	<u>2,286,566</u>
	<u>4,140,629</u>	<u>3,388,531</u>
COMMITMENT (note 7)		

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_  
Governor

\_\_\_\_\_  
Governor

**LAW FOUNDATION OF NOVA SCOTIA**  
**STATEMENT OF OPERATIONS AND CHANGES IN GENERAL FUND**  
**FOR THE YEAR ENDED MARCH 31, 2006**

	2006	2005
	\$	\$
<b>REVENUE</b>		
Interest on trust accounts	1,831,753	1,126,711
Interest on investments	49,399	20,321
Gain (loss) on disposal of investments	(651)	5,891
	<b>1,880,501</b>	1,152,923
 GRANTS (note 6)	 <b>1,564,782</b>	 1,136,734
	<b>315,719</b>	16,189
 <b>EXPENDITURES</b>		
Salaries and benefits	93,011	92,996
Accounting and audit	14,219	13,396
Rent and common area	12,852	12,552
Office	7,002	6,947
Telephone	2,799	2,624
Consulting	3,979	7,640
Travel and meetings - board	2,908	2,715
Travel - staff and chair	6,001	4,567
Bank charges	581	884
Brokers' and investment management fees	5,274	4,760
Miscellaneous	806	382
Amortization	1,195	1,688
	<b>150,627</b>	151,151
 <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	 <b>165,092</b>	 (134,962)
 GENERAL FUND - beginning of year	 <b>104,220</b>	 239,182
 GENERAL FUND - end of year	 <b>269,312</b>	 104,220

**LAW FOUNDATION OF NOVA SCOTIA**  
**STATEMENT OF OPERATIONS AND CHANGES IN RESTRICTED FUND**  
**FOR THE YEAR ENDED MARCH 31, 2006**

	2006	2005
	\$	\$
<b>REVENUE</b>		
Interest on investments	20,769	18,714
Dividend income	38,903	37,267
Gain on disposal of investments	112,547	157,453
	<u>172,219</u>	<u>213,434</u>
<b>EXPENDITURES</b>		
Brokers' and investment management fees	44,096	40,846
Foreign exchange loss	469	1,732
	<u>44,565</u>	<u>42,578</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>127,654</u>	<u>170,856</u>
RESTRICTED FUND - beginning of year	<u>2,182,346</u>	<u>2,011,490</u>
RESTRICTED FUND - end of year	<u>2,310,000</u>	<u>2,182,346</u>

## LAW FOUNDATION OF NOVA SCOTIA

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2006

	2006	2005
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	292,746	35,894
Items in earnings not involving cash		
Amortization	1,195	1,688
Approved grants	1,564,782	1,136,734
Payment of grants	(1,102,174)	(933,723)
(Gain) loss on disposal of investments - general	651	(5,891)
Gain on disposal of investments - restricted	(112,547)	(157,453)
	644,653	77,249
Change in noncash working capital balances		
Accrued interest receivable - general	24,381	(34,458)
Accrued interest receivable - restricted	97	(924)
Due from Law Foundation of Nova Scotia Scholarship Fund	(19,506)	(13,128)
Prepaid expenses	(483)	721
Long-term accrued interest receivable - general	-	19,056
Accounts payable and accrued liabilities	(3,256)	3,694
	645,886	52,210
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Investments - General		
Purchase of investments	(278,113)	(841,153)
Proceeds on disposal of investments	85,000	630,444
Investments - Restricted		
Purchase of investments	(528,554)	(1,450,912)
Proceeds on disposal of investments	556,331	1,420,186
Acquisition of property, plant and equipment	(1,466)	-
	(166,802)	(241,435)
<b>CHANGE IN CASH AND EQUIVALENTS DURING THE YEAR</b>	<b>479,084</b>	<b>(189,225)</b>
<b>CASH AND EQUIVALENTS - beginning of year</b>	<b>394,314</b>	<b>583,539</b>
<b>CASH AND EQUIVALENTS - end of year (see note below)</b>	<b>873,398</b>	<b>394,314</b>

#### NOTE:

##### CASH AND EQUIVALENTS

Cash and equivalents is comprised of the following items at year end:

	2006	2005
	\$	\$
Cash	718,396	296,556
Cash - investments - general (note 3)	29,481	15,218
Cash - investments - restricted (note 4)	125,521	82,540
	873,398	394,314



## LAW FOUNDATION OF NOVA SCOTIA

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

#### 1. DESCRIPTION OF OPERATIONS

The Law Foundation was established in 1976 by a Nova Scotia statute and is exempt from income tax. Its purpose is to grant funds to groups for projects connected with the law.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### **Investments - General**

The investments in the general fund are recorded at cost.

##### **Investments - Restricted**

The investments in the restricted fund, that have been restricted by the Foundation's board of governors, are recorded at cost.

##### **Revenue Recognition**

Interest on trust accounts is recorded on a cash basis when received. Interest on investments is recorded on the accrual basis. Dividend income is recorded on a cash basis when received. Capital gains and losses on disposals of investments are recognized when realized.

##### **Property, Plant and Equipment**

Property, plant and equipment are stated at cost. Amortization is provided using the following annual rates and methods:

	Rate	Method
Office equipment	20%	Diminishing balance
Furniture and fixtures	20%	Diminishing balance
Computer hardware	3 years	Straight line
Computer software	3 years	Straight line

##### **Fund Accounting**

The board of governors has internally restricted funds to finance future operations of the Foundation. The net investment income earned on these assets is recorded in the restricted fund.

The general fund accounts for the Foundation's day-to-day activities which include the interest income on lawyers' trust accounts, the interest income on the investments, less grants approved and paid, and the administrative expenses relating to the running of the Foundation.

**LAW FOUNDATION OF NOVA SCOTIA****NOTES TO FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2006****3. INVESTMENTS - GENERAL**

At March 31, 2006, the Foundation's investments held in the general fund are comprised of the following:

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
Fixed income funds (market value - \$1,032,081; 2005 - \$854,799)	<b>1,033,615</b>	841,153
Cash	<b>29,481</b>	15,218
	<b><u>1,063,096</u></b>	<b><u>856,371</u></b>

At March 31, 2006, the Foundation's fixed income investments held in the general fund are comprised of the following:

	<b>2006</b>
	<b>\$</b>
Canada Housing Trust Series I - due June 15, 2006 with yield to maturity of 5.53% and face value of \$79,000	<b>81,699</b>
Government of Canada - due September 1, 2007 with yield to maturity of 4.50% and face value of \$51,000	<b>52,036</b>
BCE Inc. Series B Note - due October 30, 2007 with yield to maturity of 6.75% and a face value of \$49,000	<b>52,330</b>
Government of Canada- due October 1, 2008 with yield to maturity of 4.25% and face value of \$94,000	<b>94,826</b>
Province of Manitoba - due March 2, 2009 with yield to maturity of 5.25% and face value of \$91,000	<b>94,468</b>
BMO Capital Trust Call - due June 30, 2010 with yield to maturity of 6.90% and a face value of \$47,000	<b>51,436</b>
Province of Ontario - due November 19, 2010 with yield to maturity of 6.10% and face value of \$87,000	<b>93,659</b>
RCB Capital Trust II - due June 30, 2011 with yield to maturity of 7.18% and a face value of \$49,000	<b>54,490</b>

## LAW FOUNDATION OF NOVA SCOTIA

### NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2006

#### 3. INVESTMENTS - GENERAL (continued)

	2006
	\$
Province of British Columbia - due January 9, 2012 with yield to maturity of 5.75% and face value of \$90,000	95,327
Hydro One Inc. Medium Term Note - due November 15, 2012 with yield to maturity of 5.77% and a face value of \$51,000	53,527
Government of Canada - due June 1, 2013 with yield to maturity of 5.25% and face value of \$51,000	53,094
Scotiabank Capital Trust Scotia - due June 30, 2013 with yield to maturity of 6.28% and a face value of \$52,000	54,944
Province of Ontario - due March 8, 2014 with yield to maturity of 5.00% and a face value of \$105,000.	105,330
Thomson Corporation - due December 1, 2014 with yield to maturity of 5.20% and a face value of \$42,000	44,367
GE Capital Canada Funding - due February 11, 2015 with yield to maturity of 4.65% and a face value of \$51,000	52,082
	<u>1,033,615</u>

#### 4. INVESTMENTS - RESTRICTED

The Foundation has internally restricted funds totaling \$2,310,000 (2005 - \$2,182,346) for the purpose of covering continuing commitments should the Foundation not have sufficient resources to maintain its future grants. This amount includes accrued interest receivable of \$4,139 (2005 - \$4,236). At March 31, 2006, the Foundation's investments held in the restricted fund are comprised of the following:

	2006	2005
	\$	\$
Equities (market value - \$2,321,819; 2005 - \$1,908,466)	1,822,894	1,739,483
Fixed income funds (market value - \$357,895; 2005 - \$362,822)	357,446	356,087
Cash	125,521	82,540
	<u>2,305,861</u>	<u>2,178,110</u>

## LAW FOUNDATION OF NOVA SCOTIA

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED MARCH 31, 2006

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#### 4. INVESTMENTS - RESTRICTED (continued)

At March 31, 2006, the Foundation's fixed income investments held in the restricted fund are comprised of the following:

	2006
	\$
Canada Housing Trust Series I - due June 15, 2006 with yield to maturity of 5.53% and face value of \$27,000	28,148
Government of Canada - due October 1, 2007 with yield to maturity of 4.5% and face value of \$18,000	18,434
BCE Inc Series B Note - due October 30, 2007 with yield to maturity of 6.75% and face value of \$17,000	18,305
Government of Canada - due September 1, 2008 with yield to maturity of 4.25% and face value of \$32,000	32,115
Province of British Columbia - due January 9, 2012 with yield to maturity of 5.75% and face value of \$31,000	32,699
Province of Manitoba - due March 2, 2009 with yield to maturity of 5.25% and face value of \$32,000	33,292
BMO Capital Trust Call - due June 30, 2010 with yield to maturity of 6.90% and face value of \$16,000	17,584
Province of Ontario - due November 19, 2010 with yield to maturity of 6.10% and face value of \$30,000	32,278
RBC Capital Trust II - due June 30, 2011 with yield to maturity of 7.18% and face value of \$17,000	18,056
Hydro One Inc. Medium Term Note - due November 15, 2012 with yield to maturity of 5.77% and face value of \$17,000	17,675

**LAW FOUNDATION OF NOVA SCOTIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2006**

**4. INVESTMENTS - RESTRICTED (continued)**

	2006
	\$
Government of Canada - due June 1, 2013 with yield to maturity of 5.25% and face value of \$18,000	18,637
Scotiabank Capital Trust - due June 30, 2013 with yield to maturity of 6.28% and face value of \$18,000	18,936
Province of Ontario - due March 8, 2014 with yield to maturity of 5.00% and face value of \$37,000	36,848
Thomson Corporation - due December 1, 2014 with yield to maturity of 5.20% and face value of \$15,000	15,927
GE Capital Canada Funding - due February 11, 2015 with yield to maturity of 4.65% and face value of \$18,000	18,512
	<u>357,446</u>

**5. PROPERTY, PLANT AND EQUIPMENT**

	2006		2005
	Cost	Accumulated Amortization	Net
	\$	\$	\$
Office equipment	21,449	19,440	2,009
Furniture and fixtures	4,582	3,767	815
Computer hardware	9,724	8,747	977
Computer software	5,225	5,225	-
	<u>40,980</u>	<u>37,179</u>	<u>3,801</u>
			3,530

## LAW FOUNDATION OF NOVA SCOTIA

### NOTES TO FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED MARCH 31, 2006

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#### 6. DESIGNATED GRANTS

The Board of Governors has approved grants totaling \$1,605,289 (2005 - \$1,139,181) less \$40,507 (2005 - \$2,447) of grants revoked relating to the previous year, for a net of \$1,564,782, during the year ended March 31, 2006 (2005 - \$1,136,734). Grants that have been approved but remain unpaid at year end are reported as current liabilities.

#### 7. COMMITMENT

The Foundation rents its premises under a long-term lease which expires June 30, 2009. The annual base rental for this lease is \$4,680 plus common area costs. The estimated total common area costs for the upcoming fiscal year are \$8,687.

#### 8. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of cash, accrued interest receivable, the balance due from Law Foundation of Nova Scotia Scholarship Fund and accounts payable is approximately equal to their carrying value due to their short-term maturity dates.

The fair value of investments is approximately equal to their quoted market value.

#### 9. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to confirm with the current year financial statement presentation.

The Law Foundation of Nova Scotia was established under the Barristers and Solicitors Act in 1976. Its central purpose is to receive and distribute interest earned on lawyers' pooled trust accounts in accordance with its mandate.

## **Mandate**

The objects of the Law 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."

**LAW FOUNDATION OF NOVA SCOTIA**

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