

NUNAVUT LAW FOUNDATION
FINANCIAL STATEMENTS
December 31, 2017

NUNAVUT LAW FOUNDATION

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Independent Auditors' Report

To the Members of Nunavut Law Foundation

We have audited the accompanying financial statements of the Nunavut Law Foundation, which comprise the statement of financial position as at December 31, 2017, and the statements of changes in members' equity, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Nunavut Law Foundation as at December 31, 2017 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Professional Accountants

Iqaluit, Nunavut
May 24, 2018

NUNAVUT LAW FOUNDATION
STATEMENT OF FINANCIAL POSITION
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Current		
Cash	\$ 11,447	\$ 8,077
Temporary investments	271,399	285,963
Prepaid expenses	3,333	3,333
Due from Law Society of Nunavut	<u>3,283</u>	<u>1,357</u>
	<u>\$ 289,462</u>	<u>\$ 298,730</u>
<u>Liabilities</u>		
Current		
Accounts payable and accrued liabilities	\$ 9,299	\$ 3,800
<u>Members' Equity</u>		
Unrestricted Fund	<u>280,163</u>	<u>294,930</u>
	<u>\$ 289,462</u>	<u>\$ 298,730</u>

Approved on Behalf of the Board

 _____ Chairperson

 _____ Director

NUNAVUT LAW FOUNDATION
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Balance, Opening	\$ 294,930	\$ 286,004
Excess (expenses) revenue	<u>(14,767)</u>	<u>8,926</u>
Balance, Closing	<u>\$ 280,163</u>	<u>\$ 294,930</u>

NUNAVUT LAW FOUNDATION
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Member levies	\$ 31,926	\$ 36,200
Investment income	3,078	3,528
ACLF meeting reimbursement	3,697	331
Unrealized loss on investments	(1,408)	(618)
Realized gain on sale of investments	1,266	-
	<u>38,559</u>	<u>39,441</u>
Expenses		
ACLF meeting	11,542	-
Administrative support	8,000	5,500
Advertising and promotion	100	100
Grants	26,500	12,480
Interest and bank charges	261	134
Professional fees	4,515	6,145
Travel	2,408	6,156
	<u>53,326</u>	<u>30,515</u>
Excess (Expenses) Revenue	<u>\$ (14,767)</u>	<u>\$ 8,926</u>

NUNAVUT LAW FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Operating Activities		
Excess (expenses) revenue	\$ (14,767)	\$ 8,926
Item not requiring an outlay of cash:		
Unrealized gain on investments	<u>1,408</u>	<u>618</u>
	(13,359)	9,544
Changes in non-cash working capital:		
Temporary investments	13,156	(3,528)
Due to Law Society of Nunavut	(1,926)	(2,193)
Accounts payable and accrued liabilities	<u>5,499</u>	<u>651</u>
Net Increase in Cash and Cash Equivalents	3,370	4,474
Cash and Cash Equivalents, Opening	<u>8,077</u>	<u>3,603</u>
Cash and Cash Equivalents, Closing	<u>\$ 11,447</u>	<u>\$ 8,077</u>

NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

1. Nature of the Organization

The 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. Significant Accounting Policies

The financial statements have been prepared, on a going concern basis, in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

(a) Temporary Investments

Temporary investments are recorded at market value. Cost is \$263,614 for the current year (2016 - \$278,036). Unrealized gains and losses are recorded directly to the statement of operations.

(b) Fund Accounting

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

(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) Contributed Goods and 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.

(e) 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.

NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

2. Significant Accounting Policies (continued)

(f) Financial Instruments

The Foundation initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for derivatives and equity securities quoted in an active market, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and due from Law Society of Nunavut. Financial assets measured at market value are temporary investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities..

Financial assets subsequently measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial assets or group of assets, a write-down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- The present value of the cash flows expected to be generated by the asset or group of assets;
- The amount that could be realized by selling the asset or group of assets;
- The net realizable value of any collateral held to secure repayment of the asset or group of assets.

When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

It is management's opinion that the Foundation is exposed to interest and market risk arising from these financial instruments. Temporary investments will fluctuate in value with changes in market interest rate available and the global stock market. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

(g) Cash and Cash Equivalents

Cash and cash equivalents are comprised of bank account balances net of outstanding cheques and short term highly liquid investments that are readily convertible to cash. Short term investments are recorded at the lower of cost or market value.

(h) Inventory

Inventory is stated at the lower of cost and net realizable value and is valued by the retail method. Goods in transit are valued at invoice price.

Inventories are valued at the lower of cost and net realizable value, cost being determined on a first-in, first-out basis. Net realizable value is assessed at each balance sheet date and a write down is recorded as necessary. The amount of the write down may be reversed (up to original amount of the write down) where there is a change in the economic circumstances.

NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2017

3. Related Party Transactions

During the year, the Foundation paid for translation services totalling \$350 (2016 - \$850) with an immediate relative of the acting Executive Director. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established by the related parties.