

**NUNAVUT LAW FOUNDATION**  
**FINANCIAL STATEMENTS**  
December 31, 2018



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.
- 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 auditors' 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 auditors' 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

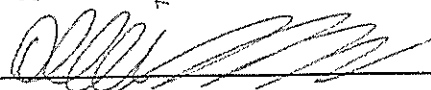
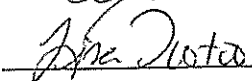
Iqaluit, Nunavut  
May 10, 2019

  
Chartered Professional Accountants

**NUNAVUT LAW FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
As at December 31, 2018

	<u>2018</u>	<u>2017</u>
<u>Assets</u>		
<b>Current</b>		
Cash	\$ 1,275	\$ 11,447
Temporary investments	259,260	271,399
Prepaid expenses	3,333	3,333
Due from Law Society of Nunavut	<u>4,970</u>	<u>3,283</u>
	<u>\$ 268,838</u>	<u>\$ 289,462</u>
<u>Liabilities</u>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 3,799	\$ 9,299
<u>Members' Equity</u>		
<b>Unrestricted Fund</b>	<u>265,039</u>	<u>280,163</u>
	<u>\$ 268,838</u>	<u>\$ 289,462</u>

Approved on Behalf of the Board

 \_\_\_\_\_ Chairperson **MARIE BELLEAU**  
 \_\_\_\_\_ Director **LISA TOOTOO**

**NUNAVUT LAW FOUNDATION**  
**STATEMENT OF CHANGES IN MEMBERS' EQUITY**  
For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Balance, Opening</b>	\$ 280,163	\$ 294,930
Excess expenses	<u>(15,124)</u>	<u>(14,767)</u>
<b>Balance, Closing</b>	<u>\$ 265,039</u>	<u>\$ 280,163</u>

**NUNAVUT LAW FOUNDATION**  
**STATEMENT OF OPERATIONS**  
For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Revenue</b>		
Member levies	\$ 35,679	\$ 31,926
Investment income	3,944	3,078
ACLF meeting reimbursement	8,359	3,697
Unrealized loss on investments	(2,179)	(1,408)
Realized gain on sale of investments	<u>1,096</u>	<u>1,266</u>
	<u>46,899</u>	<u>38,559</u>
 <b>Expenses</b>		
ACLF meeting	-	11,542
Administrative support	14,916	8,000
Advertising and promotion	100	100
Grants	38,800	26,500
Interest and bank charges	127	261
Professional fees	4,758	4,515
Travel	<u>3,322</u>	<u>2,408</u>
	<u>62,023</u>	<u>53,326</u>
 <b>Excess Expenses</b>	 <u>\$ (15,124)</u>	 <u>\$ (14,767)</u>

**NUNAVUT LAW FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Operating Activities</b>		
Excess expenses	\$ (15,124)	\$ (14,767)
Item not requiring an outlay of cash:		
Unrealized gain on investments	<u>2,179</u>	<u>1,408</u>
	(12,945)	(13,359)
Changes in non-cash working capital:		
Temporary investments	9,960	13,156
Due from Law Society of Nunavut	(1,687)	(1,926)
Accounts payable and accrued liabilities	<u>(5,500)</u>	<u>5,499</u>
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(10,172)	3,370
<b>Cash and Cash Equivalents, Opening</b>	<u>11,447</u>	<u>8,077</u>
<b>Cash and Cash Equivalents, Closing</b>	<u>\$ 1,275</u>	<u>\$ 11,447</u>

**NUNAVUT LAW FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended December 31, 2018

**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 \$256,280 for the current year (2017 - \$263,614). 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, 2018

**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.

**3. Related Party Transactions**

During the year, the Foundation paid for translation services totalling \$0 (2017 - \$350) 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.