

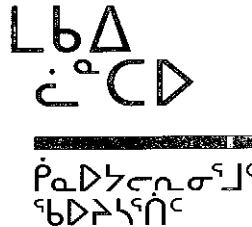
NUNAVUT LAW FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2012

**NUNAVUT LAW FOUNDATION
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DECEMBER 31, 2012**

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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, 2012, and the statements of operations, changes in members' equity 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 financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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, 2012 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads "Mackay Landau". The signature is written in a cursive style with a vertical line extending upwards from the top of the letter 'L'.

Iqaluit, Nunavut
April 8, 2013

CHARTERED ACCOUNTANTS

NUNAVUT LAW FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
REVENUES		
Member levies	\$ 31,100	\$ 25,800
Investment income	3,870	3,000
Unrealized gain (loss) on investments	<u>6,101</u>	<u>(1,014)</u>
	<u>41,071</u>	<u>27,786</u>
EXPENSES		
Administrative support	1,000	0
Advertising and promotion	430	0
Grants	10,000	25,599
Interest and bank charges	83	72
Professional fees	3,890	3,000
Travel	<u>256</u>	<u>0</u>
	<u>15,659</u>	<u>28,671</u>
EXCESS REVENUES (EXPENSES)	<u>\$ 25,412</u>	<u>\$ (885)</u>

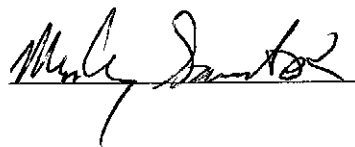

NUNAVUT LAW FOUNDATION
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>2012</u>	<u>2011</u>
BALANCE, OPENING	\$ 290,825	\$ 291,710
Excess revenues (expenses)	<u>25,412</u>	<u>(885)</u>
BALANCE, CLOSING	<u>\$ 316,237</u>	<u>\$ 290,825</u>

**NUNAVUT LAW FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 63,034	\$ 57,349
Temporary investments (Note 3)	254,947	244,976
Due from Law Society of Nunavut	<u>2,000</u>	<u>0</u>
	<u>\$ 319,981</u>	<u>\$ 302,325</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,744	\$ 11,500
<u>MEMBERS' EQUITY</u>		
UNRESTRICTED FUND	<u>316,237</u>	<u>290,825</u>
	<u>\$ 319,981</u>	<u>\$ 302,325</u>

APPROVED BY THE BOARD:

 Chairperson
  Director

**NUNAVUT LAW FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE ENDED DECEMBER 31, 2012**

	<u>2012</u>	<u>2011</u>
OPERATING ACTIVITIES		
Excess revenues (expenses)	\$ 25,412	\$ (885)
Cash provided by (used for) changes in non-cash working capital:		
Due from Law Society of Nunavut	(2,000)	17,400
Accounts payable and accrued liabilities	<u>(7,756)</u>	<u>3,000</u>
INCREASE IN CASH AND CASH EQUIVALENTS	15,656	19,515
CASH AND CASH EQUIVALENTS, OPENING	<u>302,325</u>	<u>282,810</u>
CASH AND CASH EQUIVALENTS, CLOSING	<u><u>\$ 317,981</u></u>	<u><u>\$ 302,325</u></u>
Represented by:		
Cash	\$ 63,034	\$ 57,349
Temporary investments	<u>254,947</u>	<u>244,976</u>
	<u><u>\$ 317,981</u></u>	<u><u>\$ 302,325</u></u>

**NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2012**

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. IMPACT OF THE CHANGE IN THE BASIS OF ACCOUNTING

Commencing with the 2012 fiscal year, the Nunavut Law Foundation has adopted Canadian accounting standards for not-for-profit organizations. These financial statements are the first financial statements for which the Foundation has applied Canadian accounting standards for not-for-profit organizations. The accounting changes have been applied retroactively with restatement of prior periods.

The transition rules require that the Foundation prepare an opening balance sheet at the date of transition as if the accounting policies selected under Canadian accounting standards for not-for-profit organizations had been applied in the past with restatement of comparative amounts with some specific exceptions. As a result of adopting Canadian accounting standards for not-for-profit organizations no such adjustments were necessary, there was no material impact on the opening balance sheet as at January 1, 2011 or comparative amounts presented in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Foundation are in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Use of Estimates

The preparation of the financial statements of the Foundation requires management to make estimates and assumptions based on information available as of the date of the financial statements. Therefore, actual results could differ from those estimates.

(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.

**NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE ENDED DECEMBER 31, 2012**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Temporary Investments

Temporary investments are recorded at market value. Cost is \$258,163 for the current year (2011 - \$254,293). Unrealized gains and losses are recorded directly to the statement of operations.

(e) Financial Instruments

The Foundation's financial instruments consist of cash, temporary investments, accounts receivable, accounts payable and accrued liabilities, and due from the Law Society of Nunavut. It is management's opinion that the Foundation is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.