

NUNAVUT LAW FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2014

**NUNAVUT LAW FOUNDATION
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DECEMBER 31, 2014**

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LESTER LANDAU
Chartered Accountants

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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, 2014, 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, 2014 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Iqaluit, Nunavut
February 23, 2015

A handwritten signature in black ink that reads "Lester Landau". The signature is written in a cursive style with a large initial "L".

CHARTERED ACCOUNTANTS

**NUNAVUT LAW FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
REVENUES		
Member levies	\$ 33,293	\$ 32,000
Investment income	12,058	3,621
Unrealized gain on investments	4,663	12,008
	<u>50,014</u>	<u>47,629</u>
EXPENSES		
Administrative support	4,067	3,200
Advertising and promotion	2,193	1,973
Grants	38,547	48,050
Interest and bank charges	108	183
Professional fees	6,975	5,325
Travel	3,766	2,058
	<u>55,656</u>	<u>60,789</u>
EXCESS EXPENSES	<u>\$ (5,642)</u>	<u>\$ (13,160)</u>

**NUNAVUT LAW FOUNDATION
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
BALANCE, OPENING	\$ 303,077	\$ 316,237
Excess expenses	<u>(5,642)</u>	<u>(13,160)</u>
BALANCE, CLOSING	<u>\$ 297,435</u>	<u>\$ 303,077</u>

**NUNAVUT LAW FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2014**

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 12,159	\$ 34,705
Temporary investments (Note 2)	287,297	270,576
Duc from Law Society of Nunavut	<u>1,979</u>	<u>2,800</u>
	<u>\$ 301,435</u>	<u>\$ 308,081</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 4,000	\$ 5,004
<u>MEMBERS' EQUITY</u>		
UNRESTRICTED FUND	<u>297,435</u>	<u>303,077</u>
	<u>\$ 301,435</u>	<u>\$ 308,081</u>

APPROVED BY THE BOARD:



Chairperson



Director

NUNAVUT LAW FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Excess expenses	\$ (5,642)	\$ (13,160)
Item not requiring cash:		
Unrealized (gain) loss on investments	(4,663)	(12,008)
	(10,305)	(25,168)
Cash provided by (used for) changes in non-cash working capital:		
Temporary investments	(12,058)	(3,621)
Due from Law Society of Nunavut	821	(800)
Accounts payable and accrued liabilities	(1,004)	1,260
	(22,546)	(28,329)
DECREASE IN CASH	(22,546)	(28,329)
CASH, OPENING	34,705	63,034
CASH, CLOSING	\$ 12,159	\$ 34,705

**NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

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 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 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 items subject to such estimates and assumptions include the valuation of temporary investments and amounts due from Law Society of Nunavut. 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.

(d) Temporary Investments

Temporary investments are recorded at market value. Cost is \$273,843 for the current year (2013 - \$261,784). Unrealized gains and losses are recorded directly to the statement of operations.

(e) Contributed 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.

**NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. 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 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.

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 rates available and the global stock market.

3. RELATED PARTY TRANSACTIONS

During the year, the Foundation paid for translation services totalling \$1,225 (2013 - \$0) 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.