

**NUNAVUT LAW FOUNDATION
FINANCIAL STATEMENTS
DECEMBER 31, 2015**

NUNAVUT LAW FOUNDATION
INDEX
DECEMBER 31, 2015

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Operations	3
Statement of Changes in Members' Equity	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 8

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, 2015 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 "Lester Landau". The signature is written in a cursive style with a period at the end.

CHARTERED ACCOUNTANTS

Iqaluit, Nunavut
February 5, 2016

NUNAVUT LAW FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>2015</u>	<u>2014</u>
REVENUES		
Member levies	\$ 34,500	\$ 33,293
Investment income	2,728	12,058
Realized gain on sale of investments	7,758	0
Unrealized gain on investments	<u>270</u>	<u>4,663</u>
	<u>45,256</u>	<u>50,014</u>
EXPENSES		
Administrative support	5,000	4,067
Advertising and promotion	350	2,193
Grants	43,550	38,547
Interest and bank charges	367	108
Professional fees	3,375	6,975
Travel	<u>4,045</u>	<u>3,766</u>
	<u>56,687</u>	<u>55,656</u>
EXCESS EXPENSES	<u>\$ (11,431)</u>	<u>\$ (5,642)</u>

**NUNAVUT LAW FOUNDATION
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
BALANCE, OPENING	\$ 297,435	\$ 303,077
Excess expenses	<u>(11,431)</u>	<u>(5,642)</u>
BALANCE, CLOSING	<u>\$ 286,004</u>	<u>\$ 297,435</u>

**NUNAVUT LAW FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 3,603	\$ 12,159
Temporary investments (Note 2)	283,053	287,297
Due from Law Society of Nunavut	0	1,979
Prepaid expenses	<u>3,333</u>	<u>0</u>
	<u>\$ 289,989</u>	<u>\$ 301,435</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 3,149	\$ 4,000
Due to Law Society of Nunavut	<u>836</u>	<u>0</u>
	3,985	4,000
<u>MEMBERS' EQUITY</u>		
UNRESTRICTED FUND	<u>286,004</u>	<u>297,435</u>
	<u>\$ 289,989</u>	<u>\$ 301,435</u>

APPROVED BY THE BOARD:

Chairperson

Director

**NUNAVUT LAW FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>2015</u>	<u>2014</u>
OPERATING ACTIVITIES		
Excess expenses	\$ (11,431)	\$ (5,642)
Item not requiring cash:		
Unrealized gain on investments	<u>(270)</u>	<u>(4,663)</u>
	(11,701)	(10,305)
Cash provided by (used for) changes in non-cash working capital:		
Temporary investments	4,514	(12,058)
Due to (from) Law Society of Nunavut	2,815	821
Prepaid expenses	(3,333)	0
Accounts payable and accrued liabilities	<u>(851)</u>	<u>(1,004)</u>
DECREASE IN CASH	(8,556)	(22,546)
CASH, OPENING	<u>12,159</u>	<u>34,705</u>
CASH, CLOSING	<u>\$ 3,603</u>	<u>\$ 12,159</u>

**NUNAVUT LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

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 to and 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 \$274,509 for the current year (2014 - \$273,843). 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, 2015**

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, due from Law Society of Nunavut, and prepaid expenses. Financial assets measured at market value are temporary investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and due to Law Society of Nunavut.

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 \$375 (2014 - \$1,225) 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.

4. COMPARATIVE AMOUNTS

Certain 2014 financial statement amounts have been reclassified to conform to the financial statement presentation adopted in the current year.