

Law Society of Nunavut

Financial Statements

December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Law Society of Nunavut

Opinion

We have audited the financial statements of the Law Society of Nunavut (the Society), which comprise the statement of financial position as at December 31, 2024, and the statements of revenues and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

INDEPENDENT AUDITOR'S REPORT (CONT.)

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. 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 to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Society 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.

Yellowknife, NT
June 17, 2025

EPR Yellowknife Accounting Professional Corporation
Chartered Professional Accountants

Law Society of Nunavut
Statement of Revenues and Expenses
Year ended December 31, 2024

	General Fund	Other Programs Schedule 1	Assurance Fund	Liability Fund	2024	2023 Restated- Note 10
Revenues						
Application, admission and other fees	\$ 26,556	\$ -	\$ -	\$ -	\$ 26,556	\$ 35,396
Levies	-	-	56,875	60,207	117,082	132,636
Investment income	-	-	36,118	26,234	62,352	52,110
Interest income	13,805	-	3,734	-	17,539	23,085
Membership fees	803,750	-	-	-	803,750	756,000
Restricted appearance fees	174,300	-	-	-	174,300	193,550
Government of Nunavut	-	874,821	-	-	874,821	102,292
Government of Canada	-	40,750	-	-	40,750	90,250
Intensive trial advocacy	-	-	-	-	-	98,462
Total Revenues	1,018,411	915,571	96,727	86,441	2,117,150	1,483,781
Expenses						
Advertising	5,414	45,686	-	-	51,100	7,872
AGM and meetings	16,840	14,866	-	-	31,706	39,174
Equipment-office	4,541	860	-	-	5,401	9,176
CLIA assurance premium	-	-	8,252	-	8,252	8,259
CLIA insurance premium	-	-	-	63,001	63,001	73,888
Interest and bank charges	728	-	120	77	925	681
Memberships, dues and licenses	38,557	-	-	-	38,557	32,353
Office and postage	26,161	831	-	-	26,992	59,330
Professional fees	339,898	419,295	-	-	759,193	302,947
Rent	69,562	15,650	-	-	85,212	73,013
Salaries and benefits	546,164	79,299	-	-	625,463	615,626
Telecommunications	16,938	11,219	-	-	28,157	12,751
Travel	11,983	305,024	-	2,990	319,997	102,948
Translation/Interpreting	6,145	22,841	-	-	28,986	-
Total Expenses	1,082,931	915,571	8,372	66,068	2,072,942	1,338,018
Excess Revenues (Expenses)	\$ (64,520)	\$ -	\$ 88,355	\$ 20,373	\$ 44,208	\$ 145,763

Law Society of Nunavut
Statement of Changes in Fund Balances
Year ended December 31, 2024

	Unrestricted		Restricted			
	General		Assurance	Liability	2024	2023
	Fund		Fund	Fund		
Balance, Opening	\$ 260,181	\$	847,206	\$ 230,568	\$ 1,337,955	\$ 1,192,192
Excess of revenues (expenses)	(64,520)		88,355	20,373	44,208	145,763
Balance, Closing	\$ 195,661	\$	935,561	\$ 250,941	\$ 1,382,163	\$ 1,337,955

Law Society of Nunavut
Statement of Financial Position
Year ended December 31, 2024

	General Fund	Assurance Fund	Liability Fund	2024	2023 Restated- Note 10
Assets					
Current Assets					
Cash and cash equivalents (<i>note 3</i>)	\$ 117,573	\$ 729,625	\$ 313,266	\$ 1,160,464	\$ 1,519,856
Account receivable (<i>note 4</i>)	519,180	-	-	519,180	55,850
Prepaid expenses	44,253	-	-	44,253	51,758
Inter-fund receivable (payable)	(143,611)	205,936	(62,325)	-	-
Total Assets	\$ 537,395	\$ 935,561	\$ 250,941	\$ 1,723,897	\$ 1,627,464
Liabilities					
Current Liabilities					
Accounts payable and accrued liabilities (<i>note 5</i>)	\$ 149,071	\$ -	\$ -	\$ 149,071	\$ 74,867
Due to Nunavut Law Foundation	17,800	-	-	17,800	18,000
Deferred fee revenue (<i>note 6</i>)	60,113	-	-	60,113	59,404
Deferred grant revenue (<i>note 7</i>)	114,750	-	-	114,750	137,238
	341,734	-	-	341,734	289,509
Fund Balances					
Restricted	-	935,561	250,941	1,186,502	1,077,774
Unrestricted	195,661	-	-	195,661	260,181
	195,661	935,561	250,941	1,382,163	1,337,955
Total Liabilities and Fund Balances	\$ 537,395	\$ 935,561	\$ 250,941	\$ 1,723,897	\$ 1,627,464

Contingent liabilities (Note)
Commitments (Note)

Approved by the Board

President Secretary/Treasurer

Law Society of Nunavut
Statement of Cash Flows
Year ended December 31, 2024

	2024	2023
Operating Activities		
Excess of revenue	\$ 44,208	\$ 145,763
Change in Non-Cash Working Capital Items		
Increase in accounts receivable	(463,330)	(1,828)
Due to (from) Nunavut Law Foundation	(200)	4,900
(Increase) decrease in prepaid expenses	7,505	(2,779)
Increase (decrease) in accounts payable and accrued liabilities	74,204	(64,405)
Increase (decrease) in deferred fees	709	(1,995)
Increase (decrease) in deferred grant revenue	(22,488)	137,238
Change in Cash	(359,392)	216,894
Cash and Cash Equivalents, Opening	1,519,856	1,302,962
Cash and Cash Equivalents, Closing	\$ 1,160,464	\$ 1,519,856

Law Society of Nunavut

Notes to the Financial Statements

Year ended December 31, 2024

1. Nature of Activities and Basis of Accounting

The Law Society of Nunavut is incorporated under the Legal Profession Act of Nunavut. The purpose of the Society is to provide services to the legal profession in Nunavut. The main services are admission, discipline and education.

The Society 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 Society 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. Actual results could differ from those estimates.

b. Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society 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 cash equivalents, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and due to Nunavut Law Foundation. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments unless otherwise noted.

c. Fund Accounting

The Society follows the restricted fund method of accounting for contributions. The General Fund accounts for the Society's program delivery and administrative activities. The Assurance Fund reports only restricted funds to be used in conjunction with any defalcation claims that may be made against a member and expenses related to the assurance of compliance. The Liability Fund reports only restricted funds to be used in conjunction with member liability insurance in relation to error and omission liability.

2 Significant Accounting Policies: Continued

d. Revenue Recognition

Fees and 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. Restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions related to the Assurance Fund are recognized as revenue in the Assurance Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions related to the Liability Fund are recognized as revenue in the Liability Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized in the general fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

e. Contributed Services

Volunteers contribute a significant number of hours to the Society 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.

f. Equipment

Equipment is recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives. The threshold for capitalization has been set at \$5,000, accordingly all purchases less than the threshold have been expensed.

g. Allocation of Expenditures

Direct expenditures which are wholly attributable to a specific program are charged directly to the appropriate program. In circumstances where expenditures are not wholly attributable to a specific program these expenditures are allocated amongst the programs based on management's estimates of the time, effort and resources required to support these activities.

h. 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.

Law Society of Nunavut
Notes to the Financial Statements
Year ended December 31, 2024

3. Cash and Cash Equivalents

	2024	2023
Petty Cash	\$ 298	\$ 500
Royal Bank General Fund Account	117,275	174,600
Royal Bank Assurance Fund Account	302,302	4,678
Royal Bank Liability Fund Account	2,195	2,272
RBC Wealth Management- Mutual Funds	738,394	676,042
GIC's	-	661,764
	\$ 1,160,464	\$ 1,519,856

4. Accounts Receivable

	2024	2023
Trade receivables	\$ 28,266	\$ 42,408
Contribution receivable - Gov't of Nunavut	451,820	-
GST receivable	39,094	13,442
	\$ 519,180	\$ 55,850

The allowance for doubtful accounts is \$0 (2023 - \$0)

5. Accounts Payable and Accrued Liabilities

	2024	2023
Trades Payable	\$ 129,444	\$ 61,202
Wages Payable	19,627	13,665
	\$ 149,071	74,867

6. Deferred Fee Revenue

Deferred fee revenue represents annual fees and levies received in advance of the fiscal year in which they are due. The balance of deferred fees and levies of \$60,113 (2023 - \$59,404) will be taken into income for the year ended December 31, 2024.

Law Society of Nunavut
Notes to the Financial Statements
Year ended December 31, 2024

7. Deferred Grant Revenue

	Opening	Receipts	Recognized	2024	2023
Government of Nunavut	\$ 137,238	\$ 425,000	\$ (521,954)	\$ 40,284	\$ 137,238
Government of Nunavut- FAIA Training Toolkit	-	262,334	(187,868)	74,466	-
	137,238	687,334	(709,822)	114,750	137,238

8. Contingencies

Insurance

The Canadian Lawyers Insurance Association ("CLIA") is a reciprocal insurance exchange established to provide professional liability insurance for the legal profession. The likelihood of a retroassessment call is not determinable at this time. If a retroassessment is called, it will be recorded as an expense in the year in which it occurs.

9. Commitments

The Society signed an agreement for a five year lease of office space, which commenced January 1, 2025 and ends on December 31, 2029 with annual payments as follows:

2026	\$ 75,828
2027	77,352
2028	78,900
2029	<u>60,354</u>
	<u>\$ 292,434</u>

10. Prior Period Adjustment

During the fiscal year December 31, 2023, an amount of \$16,514 related to GST receivable, which had already been deposited into the bank, was erroneously recorded as both an increase in accounts receivable and as miscellaneous revenue. This misstatement resulted in an overstatement of both the account receivable and miscellaneous revenue for the period. This accounting error has been corrected by adjusting the prior period statement. The net affect of this is as follows:

	2023 Prior	2023 Restated	Difference
Accounts receivable	\$ 72,391	\$ 55,850	\$ 16,541
Application, admission and other fee	(51,937)	(35,396)	(16,541)

Law Society of Nunavut
Year ended December 31, 2024

Schedule of Programs

	GOC - Sexual Harassment in the Workplace	GON - FAIA Training Tool Kit	GON - Gender Based Violence	GON- Special Project GBV	Total 2024
Revenues					
Government of Nunavut	\$ -	\$ 262,333	\$ 425,000	\$ 165,000	\$ 852,333
Government of Canada	40,750	-	-	-	40,750
Nunavut Law Foundation	-	-	-	-	-
Transfer from deferred revenue	-	-	-	137,238	137,238
Transfer to deferred revenue	-	(74,466)	(25,284)	(15,000)	(114,750)
Total Revenues	40,750	187,867	399,716	287,238	915,571
Expenses					
Advertising	448	19,332	9,088	16,818	45,686
AGM and meetings	-	976	13,890	-	14,866
Equipment	110	-	-	750	860
Office and postage	-	-	831	-	831
Professional fees	17,150	96,308	171,570	134,267	419,295
Rent	-	8,275	-	7,375	15,650
Salaries and benefit	16,799	32,500	30,000	-	79,299
Telecommunications	355	10,385	252	227	11,219
Translation/Interpreting	4,540	109	10,418	7,774	22,841
Travel	1,348	19,982	163,667	120,027	305,024
Total Expenses	40,750	187,867	399,716	287,238	915,571
Excess Revenue (expense)	\$ -	\$ -	\$ -	\$ -	\$ -