



Financial Statements

Law Reform Commission of Nova Scotia

March 31, 2014

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## Independent auditor's report

To the Commissioners of  
**Law Reform Commission of Nova Scotia**

We have audited the accompanying financial statements of Law Reform Commission of Nova Scotia (the "Commission"), which comprise the statement of financial position as at March 31, 2014, the statements of operations, changes in net assets 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 the financial statements in accordance with 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 from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's 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 Commission'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 Commission'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 evaluating 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, the financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Other matters

Without modifying our opinion, we draw attention to the fact that these are the Commission's first set of audited financial statements. We were not engaged to report on the comparative information, and as such, it is unaudited.

Halifax, Canada  
June 30, 2014

*Grant Thornton LLP*  
Chartered Accountants

# Law Reform Commission of Nova Scotia

## Statement of operations and changes in net assets

Year ended March 31	2014	2013
		(Unaudited)
<b>Revenue</b>		
Department of Justice	\$ 184,824	\$ 184,824
Law Foundation of Nova Scotia	106,744	106,744
Other income	<u>5,518</u>	<u>578</u>
	<u>297,086</u>	<u>292,144</u>
<b>Expenditures</b>		
Bank fees	250	69
Commissioner's fees and expenses	3,367	4,489
Insurance	1,198	1,170
Library	2,098	2,109
Meetings	1,383	1,934
Miscellaneous	899	476
Office	7,094	5,997
Professional fees	1,612	1,933
Rent	24,000	31,492
Repairs and maintenance	1,279	1,646
Salaries and wages	247,263	241,653
Taxes	3,258	3,796
Utilities	<u>3,202</u>	<u>4,686</u>
	<u>296,903</u>	<u>301,450</u>
Excess (deficiency) of revenue over expenditures	\$ <u>183</u>	<u>(9,306)</u>
Net assets, beginning of year	\$ 67,178	\$ 76,484
Excess (deficiency) of revenues over expenditures	<u>183</u>	<u>(9,306)</u>
Net assets, end of year	\$ <u>67,361</u>	\$ <u>67,178</u>

**Law Reform Commission of Nova Scotia**  
**Statement of financial position**

March 31	2014	2013
		(Unaudited)
<b>Assets</b>		
Current		
Cash	\$ 64,137	\$ 248,274
HST receivable	<u>3,224</u>	<u>3,728</u>
	\$ <u>67,361</u>	\$ <u>252,002</u>
<b>Liabilities</b>		
Current		
Deferred revenue	\$ -	\$ 184,824
<b>Net assets</b>		
Accumulated surplus	\$ <u>67,361</u>	\$ <u>252,002</u>

Commitment (Note 4)

On behalf of the Board

**KEVIN COADY**

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 Commissioner

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 Commissioner

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# Law Reform Commission of Nova Scotia

## Statement of cash flows

Year ended March 31	2014	2013
		(Unaudited)
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess (deficiency) of revenue over expenditures	\$ 183	\$ (9,306)
Changes in non-cash working capital		
HST receivable	504	470
Deferred revenue	<u>(184,824)</u>	<u>-</u>
Net decrease in cash and cash equivalents	<u>(188,606)</u>	<u>(8,836)</u>
Cash and cash equivalents		
Beginning of year	<u>248,274</u>	<u>257,110</u>
End of year	\$ <u>64,137</u>	\$ <u>248,274</u>

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# Law Reform Commission of Nova Scotia

## Notes to the financial statements

March 31, 2014

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### 1. Nature of operations

The Law Reform Commission of Nova Scotia (the "Commission") was created in 1991 by the Government of Nova Scotia. The law which created the Commission is the Law Reform Commission Act, S.N.S. 1990, c. 17. The Commission is an independent advisor to the Government and is not a government department. The independence of the Commission enables it to make recommendations for law reform in a non-partisan manner. The Commission is a registered not-for-profit organization and is therefore exempt from income tax per the Income Tax Act.

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### 2. Summary of significant accounting policies

#### **Basis of presentation**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

#### **Revenue recognition**

The Commission follows the deferral method of accounting for revenue. Grants from the Provincial Department of Justice and the Law Foundation of Nova Scotia are recognized as revenue in the year which related expenditures are incurred. Revenue for interest are recorded on the accrual basis, once collectability is reasonably assured.

#### **Deferred revenue**

Deferred revenue consists of that portion of grants received but not yet earned.

#### **Cash and cash equivalents**

Cash and cash equivalents for the purpose of the statement of cash flows include cash on hand, balances with banks and short term investments.

#### **Use of estimates**

The preparation of the financial statements in conformity with ASNPO requires the Commission's management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Certain of these estimates require subjective judgments by management that may be uncertain. Actual results could differ from those reported.

#### **Financial instruments**

##### *Initial measurement*

The Commission's financial instruments are measured at fair value when issued or acquired.

##### *Subsequent measurement*

At each reporting date, the Commission measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. All changes in fair value of the Commission's investments in equities quoted in an active market and in bonds are recorded in the statement of operations. The Foundation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, HST receivable and deferred revenue.



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# **Law Reform Commission of Nova Scotia**

## **Notes to the financial statements**

March 31, 2014

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### **3. Economic dependence**

The Commission derives 98% of its revenue through grants from the Department of Justice and the Law Foundation of Nova Scotia.

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### **4. Commitment**

The Commission rents its premises under an operating lease which expires in August 2014. Monthly rent is \$1,900.