



Financial Statements

Law Reform Commission of Nova Scotia

March 31, 2018

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## Independent auditor's report

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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, 2018, the statements of operations, changes in net assets and cash flows for the year ended March 31, 2018 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, 2018 and the results of its operations and its cash flows for the year ended March 31, 2018 in accordance with Canadian accounting standards for not-for-profit organizations.



Halifax, Canada  
June 26, 2018

Chartered Professional Accountants  
Licensed Public Accountants

# Law Reform Commission of Nova Scotia

## Statement of operations and changes in net assets

Year ended March 31

2018

2017

### Revenue

Law Foundation of Nova Scotia	\$	72,177	\$	84,914
Miscellaneous income		1,166		10,422
Investment income		-		143
		<u>73,343</u>		<u>95,479</u>

### Expenditures

Bank fees		300		396
Insurance		1,331		1,287
Library		2,070		2,178
Meetings		-		711
Membership dues		-		1,213
Miscellaneous		500		1,142
Office		3,082		5,703
Professional fees		3,650		3,650
Rent		-		4,844
Salaries and wages		57,217		127,655
Taxes		3,594		1,483
Utilities		1,575		2,143
		<u>73,319</u>		<u>152,405</u>

Excess (deficiency) of revenue over expenditures	\$	<u>24</u>	\$	<u>(56,926)</u>
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Net assets, beginning of year	\$	9,865	\$	66,791
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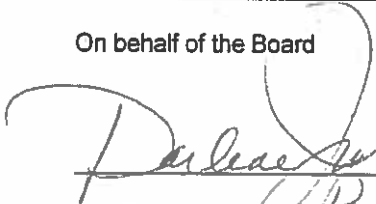
Excess (deficiency) of revenue over expenditures		<u>24</u>		<u>(56,926)</u>
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Net assets, end of year	\$	<u>9,889</u>	\$	<u>9,865</u>
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**Law Reform Commission of Nova Scotia**  
**Statement of financial position**

March 31	2018	2017
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 7,070	\$ 3,422
Receivables	4,509	4,509
HST receivable	-	1,934
	<u>\$ 11,579</u>	<u>\$ 9,865</u>
<b>Liabilities</b>		
Current		
Payables and accruals	\$ 1,690	\$ -
<b>Net assets</b>		
Accumulated surplus	<u>9,889</u>	<u>9,865</u>
	<u>\$ 11,579</u>	<u>\$ 9,865</u>

On behalf of the Board

 Commissioner  
 President

 Commissioner  
 Vice-President

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# Law Reform Commission of Nova Scotia

## Statement of cash flows

Year ended March 31	2018	2017
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess (deficiency) of revenue over expenditures	\$ 24	\$ (56,926)
Changes in non-cash working capital		
HST receivable	1,934	602
Receivables	-	(2,736)
Prepaid expenses	-	538
Payables and accruals	<u>1,690</u>	<u>(10,621)</u>
Net increase (decrease) in cash and cash equivalents	<u>3,648</u>	<u>(69,143)</u>
Cash and cash equivalents		
Beginning of year	<u>3,422</u>	<u>72,565</u>
End of year	\$ <u>7,070</u>	\$ <u>3,422</u>

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# Law Reform Commission of Nova Scotia

## Notes to the financial statements

March 31, 2018

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### 1. Nature of operations and going concern

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 contributions. The grant from the Law Foundation of Nova Scotia is recognized as revenue in the year in which related expenditures are incurred. Revenue for interest and sponsorships is recorded when received or receivable and collectability is reasonably assured.

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

Cash and cash equivalents consist of cash on hand and balance with banks.

#### **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*

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. The Commission uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenditures.

For financial assets measured at cost or amortized cost, the Commission regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Commission determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the statement of operations in the year the reversal occurs.

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# Law Reform Commission of Nova Scotia

## Notes to the financial statements

March 31, 2018

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### Financial instruments (continued)

#### *Subsequent measurement*

The financial instruments measured at amortized cost are cash and cash equivalents, receivables, payables and accruals. Unless otherwise noted, it is management's opinion that the Commission is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

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### 3. Economic dependence

The Commission derives nearly all of its revenue through grants from the Law Foundation of Nova Scotia.