

# **The Law Society of Yukon**

## **Financial Statements**

**December 31, 2018**

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# The Law Society of Yukon

## Financial Statements

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**Management Responsibility Statement**

The accompanying financial statements are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and are considered by management to present fairly the financial position and results of operations.


Management is also responsible for implementing and maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that financial records are properly maintained to provide reliable information for the preparation of financial statements.

Management is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The financial statements have been reviewed and approved by management.

Crowe MacKay LLP, an independent firm of Chartered Professional Accountants, has been engaged to examine the financial statements in accordance with Canadian generally accepted auditing standards. Their report stating the scope of their examination and opinion on the financial statements, follows.

  
\_\_\_\_\_  
Treasurer

17 Apr / 19  
Date

  
\_\_\_\_\_  
Executive Director

Apr 17 / 19  
Date



## Independent Auditors' Report

To the Members of  
The Law Society of Yukon

*Report on the Audit of the Financial Statements*

### *Opinion*

We have audited the following financial statements of The Law Society of Yukon as at December 31, 2018 and for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

- Combined Statement of Operations
- Combined Statement of Changes in Net Assets
- Combined Statement of Financial Position
- General Fund Statement of Operations
- General Fund Statement of Changes in Fund Balances
- General Fund Statement of Financial Position
- Professional Liability Insurance Fund Statement of Operations and Changes in Fund Balance
- Professional Liability Insurance Fund Statement of Financial Position
- Special Fund Statement of Operations and Changes in Fund Balance
- Special Fund Statement of Financial Position
- Combined Statement of Cash Flows

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, 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.

### *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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization 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 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 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 organization 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.

## Independent Auditors' Report (continued)

### *Auditors' 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 auditors' 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. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 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 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 auditors' 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 auditors' 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.

Whitehorse, Yukon  
April 11, 2019

  
Chartered Professional Accountants

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# The Law Society of Yukon

## Combined Statement of Operations

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For the year ended December 31,

2018

2017

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### Revenue

Administration fees (CLIA)	\$ 3,750	\$ 3,600
Application fees	20,100	26,100
Certificate of permission	31,505	38,500
Certificate of standing	1,550	2,800
Continuing education	16,899	11,621
Gifts and Socials	3,069	3,402
Insurance - Mandatory	164,438	149,599
Investment	91,641	93,114
Members assessments	28,900	30,100
Membership fees	383,900	375,832
Photocopier	882	917
Professional corporation fees	3,900	3,050
Travel recovery	14,969	13,487

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\$ 765,503

\$ 752,122

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# The Law Society of Yukon

## Combined Statement of Operations (con't)

For the year ended December 31,	2018	2017
<b>Expenditures</b>		
Administration fees	\$ 3,750	\$ 3,600
Advertising	-	702
Amortization	7,481	8,107
Claim management (ALIA)	4,510	520
Communication	8,492	16,640
Continuing education	23,849	16,049
Discipline	13,592	17,403
Gifts and socials	16,578	12,435
Grants - Law librarian	1,334	1,741
Insurance	1,441	1,363
Insurance - Special Fund	9,870	10,472
Insurance - Mandatory	157,655	141,113
Lawyers Assistance Program	13,593	8,916
Licenses and dues	23,133	20,680
Meetings	7,551	4,192
Office	10,922	9,603
Professional fees	144,428	95,961
Rent	42,174	42,175
Telephone	4,525	4,810
Travel	31,846	30,214
Wages and benefits	212,638	154,823
	<b>739,362</b>	<b>601,519</b>
<b>Excess of revenue over expenditures before other items</b>	<b>26,141</b>	<b>150,603</b>
Loss on disposal of capital assets	(134)	-
Gain on disposal of investments	-	15,496
Unrealized gain (loss) on investments	(60,999)	57,393
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (34,992)</b>	<b>\$ 223,492</b>

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# The Law Society of Yukon

## Combined Statement of Changes in Net Assets

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For the year ended December 31,				2018	2017
	General Fund	Liability Insurance Fund	Special Fund	Total	Total
Fund balances, beginning of year	1,486,041	827,187	2,503,590	4,816,818	4,593,326
Excess (deficiency) of revenue over expenditures	(45,042)	(15,321)	25,371	(34,992)	223,492
Fund balances, end of year	\$ 1,440,999	\$ 811,866	\$ 2,528,961	\$ 4,781,826	\$ 4,816,818

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# The Law Society of Yukon

## Combined Statement of Financial Position

As at December 31, 2018 2017

### Assets

#### Current

Cash	\$ 839,367	\$ 875,483
Accounts receivable	1,548	613
Prepaid expenses	96,149	82,980

937,064 959,076

Marketable securities (note 3)	3,968,239	3,937,602
Capital assets (note 4)	35,562	39,348
Loan receivable (note 5)	7,459	-

**\$ 4,948,324** **\$ 4,936,026**

### Liabilities

#### Current

Accounts payable and accrued liabilities (note 6)	\$ 24,226	\$ 29,648
Deferred revenue (note 7)	142,272	89,560

166,498 119,208

### Net Assets

General Fund	1,440,999	1,486,041
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Liability Insurance Fund	811,866	827,187
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Special Fund	2,528,961	2,503,590
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**Total Net Assets** **4,781,826** **4,816,818**

**Liabilities and Net Assets** **\$ 4,948,324** **\$ 4,936,026**

### Commitment (note 8)

Approved by the Society

 \_\_\_\_\_, Director

 \_\_\_\_\_, Director

# The Law Society of Yukon

## General Fund - Statement of Operations

For the year ended December 31,	Budget	2018	2017
<b>Revenue</b>			
Administration fees (CLIA)	\$ 3,700	\$ 3,750	\$ 3,600
Application fees	24,000	20,100	26,100
Certificate of permission	37,800	31,505	38,500
Certificate of standing	2,750	1,550	2,800
Continuing education	32,800	16,899	11,621
Gifts and socials	3,250	3,069	3,402
Interest	10,500	13,447	11,586
Membership fees	381,050	383,900	375,832
Photocopier	1,000	882	917
Professional corporation fees	2,900	3,900	3,050
Travel recovery	15,600	14,969	13,487
	515,350	493,971	490,895
<b>Expenditures</b>			
Advertising	1,000	-	702
Amortization	-	7,481	8,107
Continuing education	37,900	23,849	16,049
Communications	36,000	8,492	16,640
Discipline	50,000	13,592	17,403
Gifts and socials	16,200	16,578	12,435
Grants and contributions	500	-	-
Grants - Law librarian	3,000	1,334	1,741
Insurance	1,400	1,441	1,363
Lawyer's Lounge	500	50	-
Licenses and dues	22,270	23,133	20,680
Meetings	6,700	7,551	4,192
Office and miscellaneous	10,225	10,791	9,596
Professional fees	134,750	131,860	85,051
Rent	42,175	42,174	42,175
Telephone	5,000	4,525	4,810
Travel	40,950	29,575	28,143
Wages and benefits	200,000	212,638	154,823
	608,570	535,064	423,910
<b>Excess (deficiency) of revenue over expenditures before other items</b>	<b>(93,220)</b>	<b>(41,093)</b>	<b>66,985</b>
Loss on disposal of capital assets	-	(134)	-
Unrealized loss on investments	-	(3,815)	-
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ (93,220)</b>	<b>\$ (45,042)</b>	<b>\$ 66,985</b>

# The Law Society of Yukon

## General Fund - Statement of Changes in Fund Balances

For the year ended December 31,

2018

2017

	Unrestricted	Invested in capital assets	Obligatory reserve fund	Discretionary reserve - operational projects	Discretionary reserve - special projects	Total	Total
<b>Balance, beginning of year</b>	\$ -	\$ 39,348	\$800,000	\$300,000	\$346,693	\$1,486,041	\$1,419,056
Excess (deficiency) of revenue over expenditures	(45,042)	-	-	-	-	(45,042)	66,985
Amortization	7,481	(7,481)	-	-	-	-	-
Capital asset addition	(3,369)	3,369	-	-	-	-	-
Loss on disposal of capital assets	134	(134)	-	-	-	-	-
Transfer	40,796	-	-	(40,796)	-	-	-
<b>Balance, end of year</b>	\$ -	\$ 35,102	\$800,000	\$259,204	\$346,693	\$1,440,999	\$1,486,041

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# The Law Society of Yukon

## General Fund - Statement of Financial Position

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As at December 31, 2018 2017

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### Assets

#### Current

Cash	\$ 760,338	\$ 786,056
Accounts receivable	1,548	613
Prepaid expenses	5,061	5,061

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766,947 791,730

Marketable securities (note 3)

700,717 691,086

Capital assets (note 4)

35,562 39,348

Loan receivable (note 5)

7,459 -

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\$ 1,510,685 \$ 1,522,164

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### Liabilities

#### Current

Accounts payable and accrued liabilities (note 6)	\$ 15,516	\$ 21,188
Deferred revenue (note 7)	54,170	14,935

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69,686 36,123

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### Fund Balances

Invested in property and equipment	35,102	39,348
Obligatory reserve fund	800,000	800,000
Discretionary reserve - operational projects	259,204	300,000
Discretionary reserve - special projects	346,693	346,693

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1,440,999 1,486,041

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\$ 1,510,685 \$ 1,522,164

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## The Law Society of Yukon

### Professional Liability Insurance Fund - Statement of Operations and Changes in Fund Balance

For the year ended December 31,	2018	2017
<b>Revenue</b>		
Insurance - Mandatory	\$ 164,438	\$ 149,599
Interest	25,637	24,909
	<b>190,075</b>	<b>174,508</b>
<b>Expenditures</b>		
Administration fee	3,750	3,600
Claim management (ALIA)	4,510	520
Insurance - Mandatory	157,655	141,113
Lawyers Assistance Program	13,593	8,916
Office, and miscellaneous	59	7
Professional fees	1,750	1,750
Travel	2,271	2,071
	<b>183,588</b>	<b>157,977</b>
<b>Excess of revenue over expenditures before other items</b>	<b>6,487</b>	<b>16,531</b>
<b>Loss on sale of investments</b>	<b>-</b>	<b>(4,182)</b>
<b>Unrealized gain (loss) on investments</b>	<b>(21,808)</b>	<b>11,067</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(15,321)</b>	<b>23,416</b>
<b>Fund balance, beginning of year</b>	<b>827,187</b>	<b>803,771</b>
<b>Fund balance, end of year</b>	<b>\$ 811,866</b>	<b>\$ 827,187</b>

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## The Law Society of Yukon

### Professional Liability Insurance Fund - Statement of Financial Position

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As at December 31, 2018 2017

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#### Assets

##### Current

Cash	\$ 6,266	\$ 23,115
Prepaid expenses	85,412	72,243

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91,678 95,358

##### Marketable securities (note 3)

815,587 811,761

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\$ 907,265 \$ 907,119

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#### Liabilities

##### Current

Accounts payable and accrued liabilities (note 6)	\$ 7,297	\$ 5,307
Deferred revenue (note 7)	88,102	74,625

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95,399 79,932

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#### Fund Balances

##### Unrestricted

811,866 827,187

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\$ 907,265 \$ 907,119

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## The Law Society of Yukon

### Special Fund - Statement of Operations and Changes in Fund Balance

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For the year ended December 31,	2018	2017
<b>Revenue</b>		
Investment	\$ 52,557	\$ 56,619
Members assessments	28,900	30,100
	<hr/>	<hr/>
	81,457	86,719
	<hr/>	<hr/>
<b>Expenditures</b>		
Insurance	9,870	10,472
Office	22	-
Professional fees	10,818	9,160
	<hr/>	<hr/>
	20,710	19,632
	<hr/>	<hr/>
Excess of revenue over expenditures before other items	60,747	67,087
Gain on sale of investments	-	19,678
Unrealized gain (loss) on investments	(35,376)	46,326
	<hr/>	<hr/>
Excess of revenue over expenditures	25,371	133,091
Fund balance, beginning of year	2,503,590	2,370,499
	<hr/>	<hr/>
Fund balance, end of year	\$ 2,528,961	\$ 2,503,590

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## The Law Society of Yukon

### Special Fund - Statement of Financial Position

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As at December 31,

2018

2017

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#### Assets

##### Current

Cash	\$ 72,763	\$ 66,312
Prepaid expenses	5,676	5,676

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78,439 71,988

##### Marketable securities (note 3)

2,451,935 2,434,755

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\$ 2,530,374 \$ 2,506,743

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#### Liabilities

##### Current

Accounts payable and accrued liabilities (note 6)	\$ 1,413	\$ 3,153
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#### Fund Balances

##### Unrestricted funds

2,528,961 2,503,590

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\$ 2,530,374 \$ 2,506,743

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## The Law Society of Yukon

### Combined Statement of Cash Flows

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For the year ended December 31,	2018	2017
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures	\$ (34,992)	\$ 223,492
Items not affecting cash:		
Amortization	7,481	8,107
Realized gain on disposal of marketable securities	-	(15,496)
Unrealized loss (gain) on marketable securities	60,999	(57,393)
Loss on disposal of capital assets	134	-
Change in non-cash operating working capital		
Marketable securities	(91,639)	(93,113)
Accounts receivable	(935)	1,464
Prepaid expenses	(13,169)	(4,075)
Accounts payable and accrued liabilities	(5,419)	11,668
Deferred revenue	52,712	(20,750)
	<b>(24,828)</b>	<b>53,904</b>
<b>Investing activities</b>		
Purchase of capital assets	(3,829)	(591)
Loan receivable	(7,459)	-
<b>Increase (decrease) in cash</b>	<b>(36,116)</b>	<b>53,313</b>
<b>Cash, beginning of year</b>	<b>875,483</b>	<b>822,170</b>
<b>Cash, end of year</b>	<b>\$ 839,367</b>	<b>\$ 875,483</b>

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# The Law Society of Yukon

## Notes to Financial Statements

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December 31, 2018

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### 1. Nature of operations

The Law Society of Yukon ("Society") operates pursuant to the Legal Profession Act of Yukon. The Society administers programs which help promote a high standard of legal services and professional conduct through governance and regulation of an independent legal profession.

The Society meets the qualification of a non-profit organization and is exempt from income tax under section 149(1)(l) of the Income Tax Act.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies used by management in preparation of these financial statements are as follows:

#### (a) Capital assets

Capital assets are recorded at cost with a corresponding increase in funds invested in capital assets. Amortization has been calculated either by the declining balance over the estimated useful life of the capital assets or the straight-line method over the term of the lease at the rates set out in note 4. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

#### (b) Marketable securities

Marketable securities are recorded at market value with unrealized gains and losses recognized directly in the statements of revenue, expenses, and fund balances.

#### (c) Membership fees

Membership fees are due on January 31, 2018 for the membership year January 1, 2018 to December 31, 2018.

#### (d) Professional liability insurance levy

The policy for insurance coverage for the levy and premium expense is from July 1st to June 30th. Each year the amounts attributable to current year are calculated and recorded in current year. The balance is recorded as a prepaid expense and reversed to expense in the subsequent year. These amounts are recorded on the accrual basis.

#### (e) Fund accounting

The Society follows the restricted fund method of accounting for contributions.

The General Fund is an unrestricted fund which accounts for the Society's program delivery and administrative activities. Within the General Fund are the following funds that have been internally restricted:

- (i) **Obligatory Reserve Fund:** This fund has been established to provide a cushion to absorb unexpected or unplanned major expenditures relating to the Society's core mandate that the Society has an obligation to pay.

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# The Law Society of Yukon

## Notes to Financial Statements

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December 31, 2018

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### 2. Accounting policies (continued)

#### (e) Fund Accounting (continued)

(ii) Discretionary Reserve Fund - Operational Projects: This fund is available to fund expenditures that are of an operational nature and fall within the Society's core mandate. These funds are to be accessed for pre-identified and pre-approved projects when those projects cannot be covered by the annual revenues contemplated in the annual operating budget

(iii) Discretionary Reserve Fund - Special Projects: These funds are available to fund initiatives or projects that support, directly or indirectly, the mandate of the Society.

The Professional Liability Insurance Fund accounts for member liability insurance in relation to error or omission liability.

The Special Fund reports revenue from interest earned on investments. The Special Fund receives a levy from solicitors. All amounts are recorded on the accrual basis. The funds are to be used in the event of defalcation of a member.

#### (f) Restricted funds

Restricted funds are created when designated as restricted by the Law Society of Yukon. The restricted funds represent a segregation of funds by the Law Society of Yukon for certain specified expenditures.

#### (g) Contributed services

Volunteers contribute a significant number of hours to the Society in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### (h) Budget information

Budgets are not audited, and are prepared only for the General Fund.

#### (i) 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the period. Actual results may differ from those estimates.

#### (j) Revenue recognition

Revenue of the Professional Liability Insurance Fund and the Special Fund is recognized in the funds when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Revenue of the General fund is recognized in accordance with the restricted fund method.

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# The Law Society of Yukon

## Notes to Financial Statements

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December 31, 2018

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### 2. Accounting policies (continued)

#### (k) Financial instruments

##### **Measurement of financial instruments**

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

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity and debt instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at their fair value include marketable securities.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and deferred revenue.

##### **Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

##### **Transactions costs**

The Society recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their obligation, issuance or assumption.

##### **Other financial liabilities:**

This category comprises trade payables. These liabilities are initially recognized at fair value and subsequently carried at amortized cost using the effective interest rate method. Transaction costs related to these financial liabilities are expensed as incurred.

Unless otherwise stated, the fair value of the Society's financial instruments approximate their carrying values.

#### (l) Investment income

The Society recognizes interest revenue as earned, dividends when declared, and investment gains and losses when realized. Interest revenue includes amortization of any premium or discount recognized at the date of purchase. Realized gains and losses represent the difference between the amounts received through the sale of investments and their respective cost base. Unrealized gains and losses represent the difference between the cost base of the investments and their fair market value at year end date.

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# The Law Society of Yukon

## Notes to Financial Statements

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December 31, 2018

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### 3. Marketable securities

As at December 31, 2018, market values reflect increases or decreases from cost due to current interest rates differing from contractual rates and unrealized gains or losses on certain investments. The net unrealized loss of \$60,999 (2017 - unrealized gain of \$57,393) was recognized in the statement of operations at year end.

Notwithstanding the designation of the investments as Held for Trading, it is not the intention of the Society to actively engage in the purchase and sale of securities on a short-term basis, but primarily to meet liquidity needs if and when they may arise. The Society's investment policy specifies maximum levels of direct equity market exposure, in addition to fixed and variable rate investments. The policy addresses issues of diversification, asset allocation, investment concentration and minimum credit ratings. Investment decisions are made in close consultation with an experienced professional portfolio advisor.

	2018	2017
<hr/>		
General Fund:		
Cash and cash equivalents	\$ 274,234	\$ 325,934
Fixed income securities	382,610	320,043
Equity securities	15,118	16,181
Accrued interest	25,398	21,757
Unrealized gain	3,357	7,171
	<hr/>	<hr/>
	\$ 700,717	\$ 691,086
<hr/>		
Professional Liability Insurance Fund:		
Cash and cash equivalents	\$ 685	\$ 685
Fixed income securities	499,159	720,812
Equity securities	275,354	31,984
Accrued interest	27,048	23,126
Unrealized gain	13,341	35,154
	<hr/>	<hr/>
	\$ 815,587	\$ 811,761
<hr/>		
Special Fund:		
Cash and cash equivalents	\$ 701	\$ 2,170
Fixed income securities	1,514,422	1,766,574
Equity securities	704,840	371,677
Accrued interest	81,423	108,409
Unrealized gain	150,549	185,925
	<hr/>	<hr/>
	\$ 2,451,935	\$ 2,434,755
	<hr/>	<hr/>
	\$ 3,968,239	\$ 3,937,602
<hr/>		

The value of fixed income securities fluctuates with changes in interest rates. The fixed income securities currently earn interest at varying rates ranging from 1.66% to 3.35% and have varying maturity dates ranging from January 2019 to December 2023.

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# The Law Society of Yukon

## Notes to Financial Statements

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December 31, 2018

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### 4. Capital assets

	Rate	Cost	Accumulated Amortization	2018 Net book Value	2017 Net book Value
Furniture and equipment	20%	\$ 103,161	\$ 88,372	\$ 14,789	\$ 18,486
Computer	30%	17,681	12,551	5,130	2,813
Leasehold improvements	10% S.L.	24,066	8,423	15,643	18,049
		\$ 144,908	\$ 109,346	\$ 35,562	\$ 39,348

### 5. Loan receivable

Loan to the Canadian Legal Information Institute (CanLII) for Law Society of Yukon's share of the purchase of Lexum for \$7,459. The term of the loan is five years with interest at the rate of 4.74% per annum compounded semi-annually and payable annually on the anniversary date of the closing, which is February 28. The principle is payable at the end of the five year term.

### 6. Accounts payable and accrued liabilities

Included in the combined accounts payable and accrued liabilities are \$6,063 (2017 - \$6,078) payable with respect to GST and payroll remittances to the Receiver General of Canada.

### 7. Deferred revenue

The Society's annual membership fees for the following year are due just after the current year-end and Canadian Lawyers Insurance Association fees are collected semi-annually. The amount received prior to year-end has been recorded as deferred revenue in keeping with the revenue recognition policy described in note 2(j).

### 8. Commitment

The Society has entered into a long term commercial lease agreement terminating in 2025.

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# The Law Society of Yukon

## Notes to Financial Statements

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December 31, 2018

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### 9. Financial instruments

Financial assets consist of cash and marketable securities and financial liabilities consist of accounts payable and accrued liabilities and deferred revenue. The Society is exposed to the following risks in respect of certain of the financial instruments held:

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk can be divided between currency risk, interest rate risk, and other price risk.

#### Currency risk

Currency risk refers to the risk that fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates.

The Society is not exposed to this risk.

#### Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The exposure of the Society to this risk arises from holding fixed income investments. This risk is mitigated as the Society invests in fixed income investments with varying maturity dates.

#### Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency or interest rate risk), whether those changes are caused by factors specific to the individual instrument or to its issuer or factors affecting all similar instruments traded in the market.

The Society is exposed to this risk because of its investment in equity investments. The exposure to this risk is managed by maintaining a more significant portion of its investments in fixed income investments and investing in more stable equity investments.