

The Law Society of Yukon

Financial Statements

December 31, 2020

The Law Society of Yukon

Financial Statements

December 31, 2020	Page
Management Responsibility Statement	2
Independent Auditors' Report	3 - 4
Combined Statement of Operations	5 - 6
Combined Statement of Changes in Net Assets	7
Combined Statement of Financial Position	8
General Fund	
Statement of Operations	9
Statement of Changes in Fund Balances	10
Statement of Financial Position	11
Professional Liability Insurance Fund	
Statement of Operations and Changes in Fund Balance	12
Statement of Financial Position	13
Compensation Fund	
Statement of Operations and Changes in Fund Balance	14
Statement of Financial Position	15
Combined Statement of Cash Flows	16
Notes to Financial Statements	17 - 23

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

Date

Executive Director

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, 2020 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
- Compensation Fund Statement of Operations and Changes in Fund Balance
- Compensation 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, 2020, 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.

Independent Auditors' Report (continued)

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.

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 09, 2021


Chartered Professional Accountants

The Law Society of Yukon

Combined Statement of Operations

For the year ended December 31,	2020	2019
Revenue		
Administration fees (CLIA)	\$ -	\$ 3,900
Application fees	29,300	33,000
Certificate of permission	44,450	39,905
Certificate of standing	2,950	1,600
Continuing professional development	4,714	15,833
Gifts and Socials	3,150	4,354
Honoraria	4,044	-
Insurance - Mandatory	156,126	170,648
Investment	104,757	108,554
Members assessments	29,705	30,800
Membership fees	418,875	395,470
Photocopier	552	436
Professional corporation fees	3,500	3,750
Travel recovery	4,518	14,255
	\$ 806,641	\$ 822,505

The Law Society of Yukon

Combined Statement of Operations (con't)

For the year ended December 31,	2020	2019
Expenditures		
Administration fees	\$ -	\$ 3,900
Amortization	7,281	7,695
Claim management (ALIA)	-	4,256
Communication	2,153	9,369
Continuing professional development	6,400	19,312
Contribution - Yukon Law Foundation	18,500	17,150
Discipline	56,108	31,851
Grants and contributions	-	7,500
Gifts and socials	7,352	13,111
Grants - Law librarian	253	-
Honoraria	4,000	-
Insurance	1,523	1,501
Insurance - Compensation Fund	16,683	8,336
Insurance - Mandatory	150,513	157,612
IT Support	9,114	-
Lawyers Assistance Program	12,525	12,495
Licenses and dues	24,494	23,972
Meetings	3,452	7,886
Office	13,045	18,406
Professional fees	72,952	108,581
Rent	42,336	42,574
Telephone	5,692	5,043
Travel	5,680	26,110
Wages and benefits	241,714	235,993
	701,770	762,653
Excess of revenue over expenditures before other items	104,871	59,852
Loss on disposal of capital assets	(250)	(1,263)
Gain (loss) on disposal of investments	8,400	(720)
Unrealized gain on investments	32,091	136,948
Excess of revenue over expenditures	\$ 145,112	\$ 194,817

The Law Society of Yukon

Combined Statement of Changes in Net Assets

For the year ended December 31,				2020	2019
	General Fund	Liability Insurance Fund	Compensation Fund	Total	Total
Fund balances, beginning of year	1,423,332	841,739	2,711,572	4,976,643	4,781,826
Excess of revenue over expenditures	7,055	39,391	98,666	145,112	194,817
Fund balances, end of year	\$ 1,430,387	\$ 881,130	\$ 2,810,238	\$ 5,121,755	\$ 4,976,643

The Law Society of Yukon

Combined Statement of Financial Position

As at December 31, 2020 2019

Assets

Current

Cash	\$ 857,588	\$ 835,975
Accounts receivable	455	3,255
Prepaid expenses	89,833	79,923

947,876 919,153

Marketable securities (note 4)	4,289,699	4,162,669
Capital assets (note 5)	26,732	33,214
Loan receivable (note 6)	12,190	9,863

\$ 5,276,497 \$ 5,124,899

Liabilities

Current

Accounts payable and accrued liabilities (note 7)	\$ 22,559	\$ 23,996
Deferred revenue (note 8)	132,183	124,260

154,742 148,256

Net Assets

General Fund	1,430,387	1,423,332
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Liability Insurance Fund	881,130	841,739
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Compensation Fund	2,810,238	2,711,572
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Total Net Assets	5,121,755	4,976,643
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Liabilities and Net Assets	\$ 5,276,497	\$ 5,124,899
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Commitment (note 9)

Approved by the Society

 _____, Director

 _____, Director

The Law Society of Yukon

General Fund - Statement of Operations

For the year ended December 31,	Budget	2020	2019
Revenue			
Administration fees (CLIA)	\$ -	\$ -	\$ 3,900
Application fees	27,300	29,300	33,000
Certificate of permission	36,750	44,450	39,905
Certificate of standing	1,500	2,950	1,600
Continuing professional development	20,400	4,714	15,833
Gifts and socials	3,250	3,150	4,354
Honoraria	-	4,044	-
Interest	16,650	12,983	18,802
Membership fees	412,450	418,875	395,470
Photocopier	1,400	552	436
Professional corporation fees	3,500	3,500	3,750
Travel recovery	12,780	4,518	14,255
	535,980	529,036	531,305
Expenditures			
Amortization	-	7,281	7,695
Continuing professional development	24,000	6,400	19,312
Communications	21,650	2,153	9,369
Contribution - Yukon Law Foundation	18,050	18,500	17,150
Discipline	50,000	56,108	31,851
Gifts and socials	17,000	7,352	13,111
Grants and contributions	-	-	7,500
Grants - Law librarian	1,500	253	-
Honoraria	-	4,000	-
Insurance	1,575	1,523	1,501
IT Support	10,200	9,114	-
Lawyers' Assistance Program	20,000	12,525	-
Lawyers' Lounge	250	41	-
Licenses and dues	25,000	24,494	23,972
Meetings	7,000	3,452	4,451
Office and miscellaneous	11,925	12,996	18,245
Professional fees	110,700	59,092	87,165
Rent	44,453	42,336	42,574
Telephone	6,000	5,692	5,043
Travel	20,420	5,680	26,110
Wages and benefits	259,300	241,714	235,993
	649,023	520,706	551,042
Excess (deficiency) of revenue over expenditures before other items	(113,043)	8,330	(19,737)
Loss on disposal of capital assets	-	(250)	(1,263)
Unrealized gain (loss) on investments	-	(1,025)	3,333
Excess (deficiency) of revenue over expenditures	\$ (113,043)	\$ 7,055	\$ (17,667)

The Law Society of Yukon

General Fund - Statement of Changes in Fund Balances

For the year ended December 31,						2020	2019
	Unrestricted	Invested in capital assets	Obligatory reserve fund	Discretionary reserve - operational projects	Discretionary reserve - special projects	Total	Total
Balance, beginning of year	\$ -	\$ 32,755	\$800,000	\$300,000	\$290,577	\$1,423,332	\$1,440,999
Excess (deficiency) of revenue over expenditures	7,055	-	-	-	-	7,055	(17,667)
Amortization	7,281	(7,281)	-	-	-	-	-
Capital asset addition	(1,048)	1,048	-	-	-	-	-
Loss on disposal of capital assets	420	(420)	-	-	-	-	-
Transfer	(13,708)	-	3,406	-	10,302	-	-
Balance, end of year	\$ -	\$ 26,102	\$803,406	\$300,000	\$300,879	\$1,430,387	\$1,423,332

The Law Society of Yukon

General Fund - Statement of Financial Position

As at December 31,	2020	2019
Assets		
Current		
Cash	\$ 724,005	\$ 719,779
Accounts receivable	455	3,255
Prepaid expenses	5,061	5,061
	729,521	728,095
Marketable securities (note 4)	730,443	718,947
Capital assets (note 5)	26,732	33,214
Loan receivable (note 6)	12,190	9,863
	\$ 1,498,886	\$ 1,490,119
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 17,399	\$ 16,912
Deferred revenue (note 8)	51,100	49,875
	68,499	66,787
Fund Balances		
Invested in property and equipment	26,102	32,755
Obligatory reserve fund	803,406	800,000
Discretionary reserve - operational projects	300,000	300,000
Discretionary reserve - special projects	300,879	290,577
	1,430,387	1,423,332
	\$ 1,498,886	\$ 1,490,119

The Law Society of Yukon

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

For the year ended December 31,	2020	2019
Revenue		
Insurance - Mandatory	\$ 156,126	\$ 170,648
Interest	29,144	27,332
	185,270	197,980
Expenditures		
Administration fee	-	3,900
Claim management (ALIA)	-	4,256
Insurance - Mandatory	150,513	157,612
Lawyers Assistance Program	-	12,495
Meetings	-	3,435
Office and miscellaneous	7	161
Professional fees	1,750	1,750
	152,270	183,609
Excess of revenue over expenditures before other items	33,000	14,371
Gain (loss) on sale of investments	8,554	(720)
Unrealized gain (loss) on investments	(2,163)	16,222
Excess of revenue over expenditures	39,391	29,873
Fund balance, beginning of year	841,739	811,866
Fund balance, end of year	\$ 881,130	\$ 841,739

The Law Society of Yukon

Professional Liability Insurance Fund - Statement of Financial Position

As at December 31,	2020	2019
Assets		
Current		
Cash	\$ 57,925	\$ 37,800
Prepaid expenses	78,311	72,201
	136,236	110,001
Marketable securities (note 4)	829,753	811,974
	\$ 965,989	\$ 921,975
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	\$ 3,776	\$ 5,851
Deferred revenue (note 8)	81,083	74,385
	84,859	80,236
Fund Balances		
Unrestricted	881,130	841,739
	\$ 965,989	\$ 921,975

The Law Society of Yukon

Compensation Fund - Statement of Operations and Changes in Fund Balance

For the year ended December 31,	2020	2019
Revenue		
Investment	\$ 62,630	\$ 62,420
Members assessments	29,705	30,800
	92,335	93,220
Expenditures		
Insurance	16,683	8,336
Professional fees	12,110	19,666
	28,793	28,002
Excess of revenue over expenditures before other items	63,542	65,218
Loss on sale of investments	(155)	-
Unrealized gain on investments	35,279	117,393
Excess of revenue over expenditures	98,666	182,611
Fund balance, beginning of year	2,711,572	2,528,961
Fund balance, end of year	\$ 2,810,238	\$ 2,711,572

The Law Society of Yukon**Compensation Fund - Statement of Financial Position**

As at December 31, 2020 2019

Assets**Current**

Cash \$ 75,658 \$ 78,396

Prepaid expenses 6,461 2,661

82,119 81,057

Marketable securities (note 4) 2,729,503 2,631,748

\$ 2,811,622 \$ 2,712,805

Liabilities**Current**

Accounts payable and accrued liabilities (note 7) \$ 1,384 \$ 1,233

Fund Balances

Unrestricted funds 2,810,238 2,711,572

\$ 2,811,622 \$ 2,712,805

The Law Society of Yukon

Combined Statement of Cash Flows

For the year ended December 31,	2020	2019
Cash provided by (used in)		
Operating activities		
Excess (deficiency) of revenue over expenditures	\$ 145,112	\$ 194,817
Items not affecting cash:		
Amortization	7,281	7,695
Realized gain on disposal of marketable securities	(8,400)	720
Unrealized loss (gain) on marketable securities	(32,091)	(136,948)
Loss on disposal of capital assets	250	1,263
Change in non-cash operating working capital		
Accounts receivable	2,800	(1,707)
Prepaid expenses	(9,912)	16,228
Accounts payable and accrued liabilities	(1,752)	(127)
Deferred revenue	7,923	(18,011)
Transfer between fund accounts	315	(105)
	111,526	63,825
Investing activities		
Purchase of capital assets	(1,048)	(6,611)
Marketable securities	(86,537)	(58,202)
Loan receivable	(2,328)	(2,404)
Decrease in cash	21,613	(3,392)
Cash, beginning of year	835,975	839,367
Cash, end of year	\$ 857,588	\$ 835,975

The Law Society of Yukon

Notes to Financial Statements

December 31, 2020

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. COVID-19

On March 11, 2020, the World Health Organization declared a global pandemic. The outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures have caused material disruptions to businesses, governments and other organizations resulting in an economic slowdown and increased volatility. Governments and central banks including Canadian federal, provincial, territorial and municipal governments have responded with significant monetary and fiscal interventions designed to stabilize economic conditions.

At the time of approval of these financial statements, in response to the COVID-19 pandemic the management of the Society has been proactive and diligent in addressing the implementation of infection prevention and other precautionary measures, guided by public health authorities, to limit the spread of COVID-19 and the impact of the pandemic on the Society.

The rapidly evolving event, including health and safety conditions, economic environment and resulting government measures, creates a high level of uncertainty and risk that may result in significant impacts to the Society's activities, results of operations and financial condition. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of any interventions. As such it is not possible to estimate the length and severity of these development and the impact on the financial results and condition on the entity and its operations in future periods.

The Law Society of Yukon

Notes to Financial Statements

December 31, 2020

3. 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) **Cash**
Cash consists of cash on hand and bank deposits.
- (b) **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.
- (c) **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.
- (d) **Membership fees**
Membership fees are due on January 31, 2020 for the membership year January 1, 2020 to December 31, 2020.
- (e) **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.
- (f) **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.
- (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 Law Society of Yukon

Notes to Financial Statements

December 31, 2020

3. Accounting policies (continued)

(f) Funding Accounting (continued)

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

The Compensation Fund (previously the Special Fund) reports revenue from interest earned on investments. The Compensation 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

(g) 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.

(h) 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.

(i) Budget information

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

(j) 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.

(k) Revenue recognition

Revenue of the Professional Liability Insurance Fund and the Compensation 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.

The Law Society of Yukon

Notes to Financial Statements

December 31, 2020

3. Accounting policies (continued)

(l) 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, accounts receivable, and loans 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.

(m) 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.

The Law Society of Yukon

Notes to Financial Statements

December 31, 2020

4. Marketable securities

As at December 31, 2020, 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 gain of \$32,091 (2019 - \$136,948) 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.

	2020	2019
<hr/>		
General Fund:		
Cash and cash equivalents	\$ 279,743	\$ 278,063
Fixed income securities	405,858	397,789
Equity securities	13,035	15,178
Accrued interest	26,142	21,227
Unrealized gain	5,665	6,690
	<hr/>	<hr/>
	\$ 730,443	\$ 718,947
<hr/>		
Professional Liability Insurance Fund:		
Cash and cash equivalents	\$ -	\$ 1
Fixed income securities	516,905	478,452
Equity securities	258,166	272,920
Accrued interest	27,282	31,038
Unrealized gain	27,400	29,563
	<hr/>	<hr/>
	\$ 829,753	\$ 811,974
<hr/>		
Compensation Fund:		
Cash and cash equivalents	\$ 5,125	\$ 712
Fixed income securities	1,648,051	1,885,508
Equity securities	671,059	380,178
Accrued interest	102,047	97,408
Unrealized gain	303,221	267,942
	<hr/>	<hr/>
	\$ 2,729,503	\$ 2,631,748
<hr/>		
	\$ 4,289,699	\$ 4,162,669
<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 1.19% to 3.35% and having varying maturity dates ranging from January 2021 to December 2025.

The Law Society of Yukon

Notes to Financial Statements

December 31, 2020

5. Capital assets

	Rate	Cost	Accumulated Amortization	2020 Net book Value	2019 Net book Value
Furniture and equipment	20%	\$ 103,367	\$ 93,754	\$ 9,613	\$ 12,016
Computer	30%	23,451	17,162	6,289	7,962
Leasehold improvements	10% S.L.	24,066	13,236	10,830	13,236
		\$ 150,884	\$ 124,152	\$ 26,732	\$ 33,214

6. Loan receivable

Loan to the Canadian Legal Information Institute (CanLII) for Law Society of Yukon's share of the purchase of Lexum for \$12,190. 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.

7. Accounts payable and accrued liabilities

Included in the combined accounts payable and accrued liabilities are \$7,098 (2019 - \$7,041) payable with respect to GST and payroll remittances to the Receiver General of Canada.

8. 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).

9. Commitment

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

Future lease payments will be \$44,121 for each of the next four years (2021 - 2014) and \$40,444 for 2025. The total future lease commitment is \$216,928.

The Law Society of Yukon

Notes to Financial Statements

December 31, 2020

10. 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.