



# **ANNUAL REPORT**

**November 1, 2012 to October 31, 2013**

# *INTRODUCTION*

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The Yukon Law Foundation was initially authorized in the Legal Profession Ordinance by amendments made in 1975, but was not actually established by the Government of Yukon until 1979. The Foundation now carries on its mandate under the Yukon *Legal Profession Act* proclaimed into force on April 1, 1985.

The Foundation receives all its revenue from interest on the trust accounts of the lawyers practicing law in the Yukon and from interest on the Foundation's investments. The money available to the Foundation to pursue its objectives will therefore vary from year to year depending on the amount of client money held in trust in a lawyer's trust account. For the year ending October 31, 2013 the interest received by the Foundation was \$43,213.90. For the year ending October 31, 2012, the interest received by the Foundation was \$49,214.79.

The Law Foundation depends entirely on the interest on lawyers' trust accounts to provide funding for grants and scholarships to Yukoners and Yukon organizations.

Individuals or organizations wishing to apply for a grant from the Yukon Law Foundation should communicate with:

Yukon Law Foundation  
Box 31789  
Whitehorse, Yukon Y1A 6L3  
Phone: (867) 667-7500  
Fax: (867) 393-3904  
E-mail: [execdir@yukonlawfoundation.com](mailto:execdir@yukonlawfoundation.com)  
Web Site: [www.yukonlawfoundation.com](http://www.yukonlawfoundation.com)

The Board meets a minimum of twice a year for general grant applications (April and September) and once per year in September to review scholarship applications.

# OBJECTIVES

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As noted in the Introduction, the Yukon Law Foundation is the recipient of the interest, which banks must pay on the trust accounts of lawyers practicing law in the Yukon. The objectives of the Foundation are to use these funds, as the Board of Directors see fit, for:

- conducting research into and recommending reform of law and the administration of justice;
- establishing, maintaining and operating law libraries for public use;
- contributing to the legal education and knowledge of members and the people of the Yukon and providing programs and facilities therefore;
- legal aid programs and programs of like nature for the benefit of persons unable to afford the legal services they require;
- contributing to the Assurance Fund;
- contributing to the cost incurred by the Law Society in relation to proceedings under Part 3 of the *Legal Profession Act*; and
- doing all other things that are incidental or conducive to the attaining of the objects enumerated in the preceding paragraphs.

# ***BOARD MEMBERSHIP***

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The affairs of the Yukon Law Foundation are conducted by a Board of Directors composed of six members, three being appointed by the Commissioner in Executive Council and three being appointed by The Law Society of Yukon. The Board members serve for a period of two years at a time.

The members of the Yukon Law Foundation Board during the 2012-2013 fiscal year were:

***Appointed by the Law Society of Yukon***

Board Members: Lesley McCullough  
Rick Smith  
Norah Mooney

***Appointed by Government of Yukon***

Board Members: Mike Reynolds  
Thomas Uilyett  
Jody Woodland

The Board selects its own Chair from its membership.

Chair: Mike Reynolds

The Board contracts an Executive Director for the Yukon Law Foundation.

Executive Director: Deana Lemke

The Board of Directors meets to consider applications and issues. Decisions of the Foundation are made in accordance with the wishes of the majority of the members present at a meeting. The Foundation presents a record of its financial position at each meeting and grants are considered in light of the revenues of the Foundation and the merits of each application. Applicants who receive grants are required to acknowledge in their grant activities the funding involvement of the Foundation.

# ***GRANTS***

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Grant funding was approved during the fiscal year ending October 31, 2013 for the following projects:

## **Associations and Organizations**

- Elizabeth Fry Society  
Human Rights in Action Project \$ 7,700.00
  
- Association in Defence of the Wrongly Convicted  
Specialized Public Legal Education Program \$ 5,000.00

## **Law Library**

- Law Library Society of Yukon
  - New books and Subscriptions \$14,813.00

**Grants Approved Total: \$27,513.00**

# ***SCHOLARSHIPS***

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- A total of seven scholarships were awarded to Yukon students totaling **\$10,000**.

# ***FINANCIALS***

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The accounting firm of M. McKay and Associates Ltd. was retained to provide audited Financial Statements for the Yukon Law Foundation for the fiscal year ending October 31, 2013. The audited financial statements are included in this report.



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***Mike Reynolds***  
***Chair***  
***Yukon Law Foundation***

**YUKON LAW FOUNDATION**  
**FINANCIAL STATEMENTS**

**October 31, 2013**

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## MANAGEMENT RESPONSIBILITY STATEMENT

The management of Yukon Law Foundation is responsible for preparing the financial statements, the notes to the financial statements and other financial information.

Management prepares the financial statements in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements are considered by management to present fairly the foundation's financial position and results of operations.

Management, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by M. McKay & Associates Ltd., Certified General Accountants, the board's auditors. Their report outlines the scope of their examination and their opinion on the financial statements.



Executive Director

March 7, 2014



## **INDEPENDENT AUDITORS' REPORT**

To the Board of Yukon Law Foundation

We have audited the accompanying financial statements of Yukon Law Foundation, which include the statement of financial position as at October 31, 2013, and 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 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.

### **Auditors' responsibility**


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian 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 auditors' 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 foundation'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 foundation'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 Yukon Law Foundation as at October 31, 2013, 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.

  
**M. McKay & Associates Ltd.**  
Certified General Accountants

Whitehorse, Yukon  
March 7, 2014

**YUKON LAW FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**October 31, 2013**

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
CURRENT		
Cash	\$ 23,945	\$ 39,051
Short term investments (note 4)	265,246	261,451
Accounts receivable	-	2,510
Contributions receivable	<u>4,611</u>	<u>4,714</u>
	293,802	307,726
EQUIPMENT AND FURNITURE	<u>1,363</u>	<u>1,363</u>
	<u>\$ 295,165</u>	<u>\$ 309,089</u>
<b>LIABILITY</b>		
CURRENT		
Accounts payable and accrued liabilities	<u>\$ 4,800</u>	<u>\$ 4,500</u>
<b>NET ASSETS</b>		
Invested in capital assets	1,363	1,363
Unrestricted net assets	<u>289,002</u>	<u>303,226</u>
	<u>290,365</u>	<u>304,589</u>
	<u>\$ 295,165</u>	<u>\$ 309,089</u>

Approved on behalf of the Board:

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**YUKON LAW FOUNDATION  
STATEMENT OF OPERATIONS  
For the year ended October 31, 2013**

	2013	2012
<b>REVENUES</b>		
Contributions	\$ 43,214	\$ 49,215
Investment income	3,795	3,814
	47,009	53,029
 <b>EXPENSES</b>		
Grants	27,513	35,042
Contracted services	14,569	11,340
Scholarships	10,000	6,000
Professional fees	4,710	4,705
Travel	3,922	2,735
Office	333	288
Advertising	-	207
Meetings	186	177
	61,233	60,494
 <b>DEFICIT</b>	<b>\$ (14,224)</b>	<b>\$ (7,465)</b>

**YUKON LAW FOUNDATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**For the year ended October 31, 2013**

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	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total 2013</u>	<u>Total 2012</u>
Balance, beginning of year	\$ 1,363	\$ 303,226	\$ 304,589	\$ 312,054
Deficit	<u>-</u>	<u>(14,224)</u>	<u>(14,224)</u>	<u>(7,465)</u>
Balance, end of year	<u>\$ 1,363</u>	<u>\$ 289,002</u>	<u>\$ 290,365</u>	<u>\$ 304,589</u>

**YUKON LAW FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**October 31, 2013**

**3. Financial instruments**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information to assist users of financial statements in assessing the extent of risk related to financial instruments.

(a) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates.

(b) 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. The foundation has market risk arising from short term investments in mutual funds.

(c) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The foundation has credit risk arising from bank deposits and guaranteed investment certificates.

(d) Interest rate risk

The foundation has interest rate risk arising from varying market interest rates paid on lawyers' trust accounts and guaranteed investment certificates.

(e) Price risk

The foundation has price risk arising from variable market prices on mutual fund investments.

**4. Short term investments**

	2013	2012
Money market mutual fund	\$ 111,167	\$ 109,787
Guaranteed investment certificate, 1.65%, matures February 2014.	153,995	151,580
Cash	84	84
	\$ 265,246	\$ 261,451

**5. Capital management**

The foundation's capital is its unrestricted net assets. Capital is managed through investment policies intended to achieve a conservative balance of capital preservation and long term growth, in order that there will be adequate capital to meet current and future grant and scholarship needs within the foundation's objectives. There are no externally imposed capital requirements.