



ANNUAL REPORT

November 1, 2014 to October 31, 2015

INTRODUCTION

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, 2015 the interest received by the Foundation was \$40,992. For the year ending October 31, 2014, the interest received by the Foundation was \$42,767.

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
Web Site: www.yukonlawfoundation.com

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

OBJECTIVES

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

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 2014-15 fiscal year were:

Appointed by the Law Society of Yukon

Board Members: Lesley McCullough*
Norah Mooney*
Rick Smith
Kelly McGill
Paul Battin

Appointed by Government of Yukon

Board Members: Mike Reynolds
Thomas Ullyett
Jody Woodland

The Board selects its own Chair from among 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.

* Member's term expired during reporting period

GRANTS

Grant funding was approved during the fiscal year ending October 31, 2015 for the following projects:

Associations and Organizations

- Northern Institute of Social Justice
Workshop on indigenous dispute resolution \$ 1,723

Law Library

- Law Library Society of Yukon
New books and subscriptions \$12,920

Total Grants Approved: \$14,643

SCHOLARSHIPS

A total of four scholarships were awarded to the following Yukon students, for a combined amount of **\$4,750**:

- Shandell McCarthy
- Gregory Whiteside
- Stephanie Dragoman
- Gavin Gardiner

NATIONAL LAW FOUNDATION MEETING

The Association of Canadian Law Foundations (ACLF) is comprised of representatives from each provincial/territorial law foundation and the BC Notaries Society. Under the umbrella of the ACLF, we are able to exchange information about issues of common concern, discuss best practices and collaborate on national funding initiatives. The exchange of information assists in many ways – for example, when we are negotiating bank rates for interest on lawyers’ trust accounts (IOLTA), it gives smaller foundations greater leverage knowing the rates that larger foundations have negotiated. Since our funding is derived exclusively from IOLTA, every percentage point makes a difference when it comes to interest rates. Our Yukon Law Foundation benefits greatly from being a member of this national organization.

Every year, a meeting of Chairs, Executive Directors and Trustees is held for ACLF member foundations. Each province or territory takes a turn hosting the meeting. This year it was hosted in Winnipeg, Manitoba from September 24 to 26, 2015. Annual meetings provide an opportunity to network with colleagues, learn what is happening on the national and international stage, and showcase local grantees’ programs or projects that have been funded by the host foundation.

FINANCIALS

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, 2015. The audited financial statements are included in this report.



Mike Reynolds
Chair
Yukon Law Foundation

YUKON LAW FOUNDATION
FINANCIAL STATEMENTS
October 31, 2015

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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 contained in this annual report.

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 management'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 28, 2016

INDEPENDENT AUDITORS' REPORT

To the Board of Yukon Law Foundation

We have audited the accompanying financial statements of Yukon Law Foundation, which comprise the statement of financial position as at October 31, 2015, 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

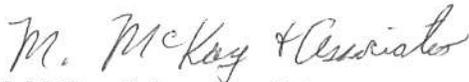
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable 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 management'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 management'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, 2015, 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 28, 2016

**YUKON LAW FOUNDATION
STATEMENT OF OPERATIONS
For the year ended October 31, 2015**

	2015	2014
REVENUES		
Contributions	\$ 36,806	\$ 42,767
Interest income	4,186	2,655
Miscellaneous income	2,595	18,068
	43,587	63,490
EXPENSES		
Grants	14,643	45,518
Contract service	13,388	14,175
Scholarships	4,750	5,000
Professional fees	4,680	4,925
Travel	2,204	1,708
Meetings	786	18,204
Office	422	570
	40,873	90,100
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 2,714	\$ (26,610)

See accompanying notes to the financial statements

YUKON LAW FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
For the year ended October 31, 2015

	<u>Unrestricted</u>	<u>Invested in capital assets</u>	<u>Total 2015</u>	<u>Total 2014</u>
Balance, beginning of year	\$ 262,392	\$ 1,363	\$ 263,755	\$ 290,365
Excess (deficiency) of revenues over expenses	<u>2,714</u>	<u>-</u>	<u>2,714</u>	<u>(26,610)</u>
Balance, end of year	<u>\$ 265,106</u>	<u>\$ 1,363</u>	<u>\$ 266,469</u>	<u>\$ 263,755</u>

See accompanying notes to the financial statements

4.

YUKON LAW FOUNDATION
STATEMENT OF FINANCIAL POSITION
October 31, 2015

ASSETS		<u>2015</u>	<u>2014</u>
CURRENT			
Cash		\$ 58,946	\$ 46,407
Short Term Investments (note 4)		205,419	201,233
Accounts and Contributions Receivable		<u>5,591</u>	<u>19,751</u>
		269,956	267,391
PROPERTY, PLANT AND EQUIPMENT			
		<u>1,363</u>	<u>1,363</u>
		\$ 271,319	\$ 268,754
 LIABILITY			
CURRENT			
Accounts payable and accrued liabilities		<u>\$ 4,850</u>	<u>\$ 4,999</u>
 NET ASSETS			
Invested in Capital Assets		1,363	1,363
Unrestricted Net Assets		<u>265,106</u>	<u>262,392</u>
		<u>266,469</u>	<u>263,755</u>
		\$ 271,319	\$ 268,754

Approved on behalf of the Board:


 _____ Director


 _____ Director

**YUKON LAW FOUNDATION
STATEMENT OF CASH FLOWS
For the year ended October 31, 2015**

	2015		2014
OPERATING ACTIVITIES			
Cash from contributions and investments	\$ 57,747	\$	48,350
Cash paid to suppliers	(21,629)		(39,383)
Cash paid for grants and scholarships	(19,393)		(50,518)
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	16,725		(41,551)
Cash and equivalents, beginning of year	247,640		289,191
Cash and equivalents, end of year	\$ 264,365	\$	247,640
 CASH AND EQUIVALENTS CONSIST OF:			
Cash	\$ 58,946	\$	46,407
Short Term Investments	205,419		201,233
	\$ 264,365	\$	247,640

See accompanying notes to the financial statements

YUKON LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2015

1. Nature of operations

Yukon Law Foundation was established pursuant to Part 5 of the Yukon Legal Profession Act. It maintains and manages a fund accumulated primarily from bank interest paid on lawyers' trust accounts. The fund is used for maintaining law libraries, contributing to the legal education of members and the people of Yukon, legal aid programs, contributing to the special fund, and other things incidental or conducive to the attainment of its main objects.

2. Significant accounting policies

The foundation applies the Canadian accounting standards for not-for-profit enterprises.

(a) Revenue recognition

Contribution revenue is recognized when interest on Yukon layers' trust accounts is payable to the foundation from financial institutions. Interest and dividends on short term investments are recognized when paid or payable to the foundation.

(b) Short-term investments

Short-term investments are recorded at fair market value.

(c) Equipment and furniture

Equipment and furnishings are recorded as expenses when purchased, and are recorded as assets valued at cost, with a corresponding increase to net assets invested in capital assets. Amortization is not recorded.

(d) Grants and scholarships

Grants and scholarships are recorded as expenditures when approved by the board. Approved grants or scholarships which are cancelled by the board in subsequent years reduce the expense in the years in which they are cancelled.

(e) Financial instruments

Financial assets and liabilities are recorded at cost. Financial assets traded in active markets are subsequently reported at fair values.

(f) Accounting estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to the financial statements. These estimates are based on management's best knowledge of current events and actions that the foundation may undertake in the future. Actual results could differ from those estimates.

YUKON LAW FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
October 31, 2015

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 that assists 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) 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 short-term investments.

(c) Interest rate risk

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

4. Short term investment

	<u>2015</u>	<u>2014</u>
Guaranteed investment certificate, matures July, 2016.	<u>\$ 205,419</u>	<u>\$ 201,233</u>

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.