

**The Law Society of Saskatchewan**

**Financial Statements**

December 31, 2021

## Management's Responsibility for Financial Statements

The accompanying financial statements of The Law Society of Saskatchewan have been prepared by the Society's management in accordance with Canadian accounting standards for not-for-profit organizations and necessarily include some amounts based on informed judgement and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The Benchers have delegated certain responsibilities to the Audit Committee, including the responsibility for reviewing the annual financial statements and meeting with management and external auditors on matters relating to the financial reporting process and the Society's system of controls.

The Audit Committee has reviewed and recommended approval of these financial statements to the Benchers.

These financial statements have been examined by the independent auditors, Virtus Group LLP, and their report is presented separately.

A handwritten signature in blue ink, appearing to read 'T. Brown', written over a horizontal line.

Timothy J. Brown, Q.C.  
Executive Director

A handwritten signature in blue ink, appearing to read 'Pam. Harmon', written over a horizontal line.

Pamela Harmon, CPA, CA  
Director of Finance & CFO

April 29, 2022  
Regina, Saskatchewan

# INDEPENDENT AUDITORS' REPORT



**VIRTUS  
GROUP**  
Chartered Professional Accountants  
& Business Advisors LLP

**To the Members,  
The Law Society of Saskatchewan**

## *Opinion*

We have audited the financial statements of The Law Society of Saskatchewan ("the Society"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in members' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and its financial performance and 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 Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Saskatchewan, 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.

## *Information Other than the Financial Statements and Auditors' Report Thereon*

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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 Society 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 significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

April 29, 2022  
Regina, Saskatchewan

VIRTUS GROUP LP  
Chartered Professional Accountants

**The Law Society of Saskatchewan**  
**Statement of Financial Position**  
**As at December 31, 2021**  
(with comparative figures for 2020)

	Consolidated General Fund	Legislatively Restricted Special Fund	Consolidated Funds	
			2021	2020
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note 4)	\$ 3,706,623	\$ 181,446	\$ 3,888,069	\$ 4,892,069
Accounts receivable	284,830	-	284,830	234,169
Receivable from SLIA (Note 10)	209,238	-	209,238	64,979
Receivable from Pro Bono Law Saskatchewan Inc.	83,851	-	83,851	(17,927)
Inter-fund receivable (payable)	(103,247)	103,247	-	-
Prepaid expenses	162,272	98,227	260,499	173,657
	4,343,567	382,920	4,726,487	5,346,947
<b>Investments (Note 5)</b>	6,615,255	2,673,453	9,288,708	9,129,064
<b>Tangible capital assets (Note 6)</b>	409,283	-	409,283	410,099
<b>Loans receivable (Note 7)</b>	645,689	-	645,689	670,093
	\$ 12,013,794	\$ 3,056,373	\$ 15,070,167	\$ 15,556,203
<b>Liabilities and Members' Equity</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 498,970	\$ 8,574	\$ 507,544	\$ 519,689
- including government remittances of \$182,246				
Annual fees received in advance	4,181,026	197,800	4,378,826	4,348,038
	4,679,996	206,374	4,886,370	4,867,727
<b>Members' equity</b>				
<b>Surplus (Note 8)</b>	7,333,798	2,849,999	10,183,797	10,688,476
	\$ 12,013,794	\$ 3,056,373	\$ 15,070,167	\$ 15,556,203
Unclaimed trust fund (Note 3)				
Commitments (Note 9)				

Approved by the Board



President



Chair of the Audit Committee

**The Law Society of Saskatchewan**  
**Statement of Changes in Members' Equity**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

	Operating Fund	Capital Asset Fund	Strategic Initiatives & Opportunities Fund	Consolidated General Fund	Legislatively Restricted Special Fund	Consolidated Funds	
						2021	2020
<b>Surplus - Beginning of year</b>	\$ 4,531,748	\$ 2,392,335	\$ 734,957	\$ 7,659,040	\$ 3,029,436	\$ 10,688,476	\$ 10,286,203
<b>Excess (deficiency) of revenues over expenses</b>	(384,614)	303,477	(244,105)	(325,242)	(179,437)	(504,679)	402,273
<b>Interfund transfers</b>	1,968,160	(1,945,812)	(22,348)	-	-	-	-
<b>Surplus - End of year</b>	\$ 6,115,294	\$ 750,000	\$ 468,504	\$ 7,333,798	\$ 2,849,999	\$ 10,183,797	\$ 10,688,476
<b>Restricted Surplus</b>	\$ 1,580,000	\$ 750,000	\$ 468,504	\$ 2,798,504	\$ -	\$ 2,798,504	\$ 2,869,010
<b>Unrestricted Surplus</b>	4,535,294	-	-	4,535,294	2,849,999	7,385,293	7,819,466
	\$ 6,115,294	\$ 750,000	\$ 468,504	\$ 7,333,798	\$ 2,849,999	\$ 10,183,797	\$ 10,688,476

**The Law Society of Saskatchewan**  
**Statement of Operations**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

	Consolidated General Fund	Legislatively Restricted Special Fund	Consolidated Funds	
			2021	2020
<b>Revenues</b>				
Member Fees & Dues	\$ 4,544,369	\$ 196,000	\$ 4,740,369	\$ 4,588,662
Grants (Note 10)	709,000	-	709,000	803,300
Investment Income	382,220	177,754	559,974	812,299
Programs				
Continuing Professional Development	284,347	-	284,347	140,204
Professional Legal Education	-	-	-	113,182
Legal Resources	78,348	-	78,348	25,296
Management Fees	228,589	-	228,589	220,427
Fines, Penalties and Recoveries	57,447	-	57,447	(9,229)
Other Revenues	20,632	204	20,836	19,436
	<u>\$ 6,304,952</u>	<u>\$ 373,958</u>	<u>\$ 6,678,910</u>	<u>\$ 6,713,577</u>
<b>Expenses</b>				
Personnel	\$ 3,885,063	\$ 366,859	\$ 4,251,922	\$ 3,877,864
Programs				
Legal Resources	867,488	-	867,488	775,993
Professional Responsibility	265,469	-	265,469	139,940
Professional Legal Education	256,750	-	256,750	141,957
Trust Safety	-	188,542	188,542	124,527
Continuing Professional Development	54,847	-	54,847	75,788
Operations	544,951	3,615	548,566	601,032
Occupancy	271,276	-	271,276	272,487
Governance	211,214	-	211,214	172,003
Grants & Scholarships	64,800	-	64,800	62,970
Trusteeships	7,067	7,067	14,134	32,014
	<u>\$ 6,428,925</u>	<u>\$ 566,083</u>	<u>\$ 6,995,008</u>	<u>\$ 6,276,575</u>
<b>(Deficiency) excess of revenues over expenses for the year before other items</b>	<u>\$ (123,973)</u>	<u>\$ (192,125)</u>	<u>\$ (316,098)</u>	<u>\$ 437,002</u>
<b>Other items:</b>				
Strategic Expenses	(244,105)	-	(244,105)	(307,391)
Unrealized Gain/(Loss) on Investments	42,836	12,688	55,524	272,662
<b>(Deficiency) excess of revenues over expenses for the year</b>	<u>\$ (325,242)</u>	<u>\$ (179,437)</u>	<u>\$ (504,679)</u>	<u>\$ 402,273</u>

**The Law Society of Saskatchewan**  
**Statement of Cash Flows**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

	Consolidated Funds	
	2021	2020
<b>Cash provided by (used in) operating activities:</b>		
(Deficiency) excess of revenues over expenses	\$ (504,679)	\$ 402,273
Items not involving cash:		
Amortization	202,188	165,530
Loss on disposal of property and equipment	-	10,550
Unrealized gain on investments	(55,524)	(272,662)
(Gain) loss on disposal of investments	(54,787)	9,326
	<u>(412,802)</u>	<u>315,017</u>
Non-cash operating working capital (Note 11)	(364,897)	375,727
	<u>(777,699)</u>	<u>690,744</u>
<b>Cash provided by (used in) investing activities:</b>		
Additions to investments	(992,184)	(1,698,045)
Proceeds on disposal of investments	942,851	3,963,745
Additions to property and equipment	(201,371)	(321,635)
Repayments (additions) to loans receivable	24,403	(145,325)
	<u>(226,301)</u>	<u>1,798,740</u>
<b>Increase (decrease) in cash and cash equivalents</b>	(1,004,000)	2,489,484
<b>Cash and cash equivalents - beginning of year</b>	<u>4,892,069</u>	<u>2,402,585</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 3,888,069</u>	<u>\$ 4,892,069</u>



**The Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

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**1. Governing statutes and nature of operations**

The Law Society of Saskatchewan ("the Society") is incorporated under *The Legal Profession Act, 1990*. The Society's principal functions include overseeing the education, admission and conduct of members practicing law in the Province of Saskatchewan in the public interest.

**2. Summary of significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations which require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known. The financial statements reflect the following policies:

**Financial instruments - recognition and measurement**

Financial assets and financial liabilities are recorded on the statement of financial position when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are required to be recognized at fair value upon initial recognition, except for certain related party transactions. Measurement in subsequent periods of equity instruments is at fair value. All other financial assets and liabilities are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Fair value is the amount at which a financial instrument could be exchanged at arm's length between willing, unrelated parties in an open market. Changes in fair value of financial assets and financial liabilities measured at fair value are recognized net of revenue over expense in the period.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted cash flows expected or the proceeds that could be realized from the sale of the financial asset. Such impairments can be subsequently reversed if the value subsequently improves.

**Fund accounting**

The Society uses accounting procedures in which a self-balancing group of accounts is provided for each accounting entity established by legal, contractual or voluntary action. The Society currently has the following funds:

**Consolidated General Fund**

The Consolidated General Fund is used for general operations and administration of the Society.

**Legislatively Restricted Special Fund**

The Special Fund was established by *The Legal Profession Act, 1990*, to compensate persons who suffer pecuniary loss as a result of misappropriation by members of the Society.

**The Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

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**2. Summary of significant accounting policies (continued)**

**Tangible capital assets**

Tangible capital assets are recorded in the Consolidated General Fund at cost, net of accumulated amortization. Amortization is provided on the straight-line basis over the estimated useful life of the assets at the following rates:

Computer equipment & software	3 years
Furniture and equipment	6 years
Leasehold improvements	10 years
Membership database	5 years
Miscellaneous capital items	5 years

**Revenue recognition**

The Society follows the deferral method of accounting for contributions. Annual fees are recognized in the year membership services are delivered. Annual fees received in advance are deferred and recognized in the applicable membership period. Investment revenues are recognized as they are earned. Other revenues are recognized as the related services are delivered.

**Income taxes**

The Society is exempt from income taxes under Section 149(1)(l) of *The Income Tax Act*.

**3. Unclaimed trust fund**

This fund was established by *The Legal Profession Act, 1990*, to allow members to distribute trust moneys to the Society in cases where they cannot locate the beneficiary. Interest earned on the amounts held by the fund is paid to the Law Foundation of Saskatchewan. At December 31, 2021, the Society had trust assets and liabilities relating to this fund in the amount of \$233,513 (2020 - \$233,741) under its administration. As these funds are held in trust on behalf of the beneficiaries, they are not recorded in these financial statements.

**4. Cash and cash equivalents**

	<u>2021</u>	<u>2020</u>
Cash	\$ 3,358,929	\$ 4,332,330
Money Market Fund	529,140	559,739
	<u>\$ 3,888,069</u>	<u>\$ 4,892,069</u>

Money Market Fund consists of units in a pooled fund managed by TD Asset Management. The carrying value of the funds approximates fair value.

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**The Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

**5. Investments**

	<u>2021</u>	<u>2020</u>
Fixed Income Pooled Fund	\$ 367,064	\$ 441,163
Canadian Equity Pooled Fund	1,062,187	996,288
US Equity Pooled Fund	1,133,216	1,047,044
International Equity Fund	1,009,018	1,091,106
Bond Plus Fund	5,717,223	5,553,463
	<u>\$ 9,288,708</u>	<u>\$ 9,129,064</u>

**6. Tangible capital assets**

	<u>2021</u>		<u>2020</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment & software	\$ 804,890	\$ 679,944	\$ 124,946	\$ 120,808
Furniture and equipment	343,915	311,753	32,162	43,248
Leasehold improvements	125,721	62,355	63,366	75,938
Membership database	193,799	167,607	26,192	19,188
Miscellaneous capital items	422,027	259,410	162,617	150,917
	<u>\$ 1,890,352</u>	<u>\$ 1,481,069</u>	<u>\$ 409,283</u>	<u>\$ 410,099</u>

**7. Loans receivable**

The Society, with all the other Canadian law societies, contributed funds to the Canadian Legal Information Institute ("CanLII") as part of a subordinated syndicated loan and repayable capital investment to fund the purchase of Lexum Informatique Juridique Inc. ("Lexum"), a software company that operates online legal information delivery products, primarily for CanLII. The Society's share of the loan totalled \$43,674 and was paid February 2018. The Society's share of the repayable capital investment was paid in three annual installments of \$12,738 plus interest with the final contribution made February 2021 for a total contributed of \$38,215 (2020 - \$25,477). Both contributions earn interest at a rate of 4.74%, payable annually. The loan is a five year term with principal repayment scheduled for February 2023. The loan receivable is secured by a second position general security agreement on all assets of 9372-0035 Quebec Inc., a wholly-owned subsidiary of CanLII.

The Society lent funds of \$600,000 to Canadian Centre for Professional Legal Education for the update of the accreditation program. The loan receivable bears interest at 4% and the principal plus interest will be repaid in ten annual instalments of \$74,000 with the first annual instalment received June 30, 2021. Balance outstanding at December 31, 2021 was \$563,800, including \$11,000 accrued interest (2020 - \$600,000).

**The Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

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**8. Unrestricted surplus**

In 2018, the Benchers approved the establishment of three internally restricted funds (prudent reserves) within the General Fund:

Operating fund

The operating reserve will be used to sustain financial operations for a reasonable period in the event of unanticipated and unbudgeted increases in operating expenses and/or losses in operating revenues. The target minimum operating reserve is three months of average budgeted operating costs.

Capital asset fund

The capital asset reserve will be used for the repair or acquisition of leaseholds, buildings, equipment and other infrastructure necessary for operations. The target amount of the reserve shall be set by the Benchers on an annual basis. In 2018, the Benchers approved an allocation of \$750,000 from unrestricted surplus to the capital asset reserve.

Strategic initiatives & opportunities fund

The strategic initiatives and opportunities reserve will be used for specific strategic initiatives or unexpected opportunities which may or may not have an expectation of incremental or long term increased income. The reserve will also be used to build organizational capacity such as staff development, research and development or investment in infrastructure that will build long term capacity.

**9. Commitments**

The Society has commitments for premises, equipment and services under agreements requiring aggregate minimum payments over the next five years as follows:

2022	\$ 847,455
2023	371,454
2024	308,982
2025	297,582
2026	297,582

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**The Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

**10. Related party transactions**

The Society provides a program of errors and omissions insurance for members. It has incorporated a non-profit corporation named Saskatchewan Lawyers' Insurance Association Inc. (SLIA) to participate in a reciprocal insurance exchange, named Canadian Lawyers' Insurance Association, pursuant to the terms of a subscriber agreement. The Society is the sole member of SLIA and appoints all board members.

The Society is potentially liable for any shortage in the insurance program and for the assets or liabilities on windup. The reader can find more information in the audited financial statements of SLIA.

SLIA has not been consolidated in the Society's financial statements. Financial statements for SLIA as at June 30, 2021 and 2020 and for the years then ended, report the following:

	<u>2021</u>	<u>2020</u>
<b>Financial position</b>		
Total assets	\$ 24,118,227	\$ 24,059,442
Total liabilities	7,483,710	7,389,023
Total equity	16,634,517	16,670,419
	<u>\$ 24,118,227</u>	<u>\$ 24,059,442</u>
	<u>2021</u>	<u>2020</u>
<b>Results of operations</b>		
Total revenues	\$ 2,276,554	\$ 2,407,217
Total expenses	2,312,456	2,427,139
(Deficiency) of revenues over expenses	<u>\$ (35,902)</u>	<u>\$ (19,922)</u>
<b>Cash flows</b>		
Cash (used in) provided by operating activities	\$ (185,994)	\$ 1,009,984
Cash (used in) investing activities	(278,553)	(2,046,577)
Cash (used in) provided by financing activities	(110,957)	83,056
(Decrease) in cash	<u>\$ (575,504)</u>	<u>\$ (953,537)</u>

During the year, the Society earned management fees of \$211,189 (2020 - \$203,027) for services provided to SLIA and SLIA contributed \$56,000 (2020 - \$56,000) to the Society's libraries by way of an annual grant. Included in accounts receivable is a balance of \$209,238 (2020 - \$64,979) related to transactions with SLIA. All amounts due to or from SLIA represent transactions in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**The Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

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**11. Non-cash operating working capital**

Details of net change in each element of working capital relating to operations excluding cash are as follows:

<b>(Increase) decrease in current assets:</b>	<b>2021</b>	<b>2020</b>
Accounts receivable	\$ (50,661)	\$ 97,127
Receivable from SLIA	(144,259)	161,042
Receivable from PBLs	(101,778)	76,587
Receivable from CLIA	-	111,713
Prepaid expenses	(86,842)	(112,715)
Trust asset	-	2,834
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	(383,540)	336,588
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<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	(12,145)	27,390
Annual fees received in advance	30,788	14,583
Trust liability	-	(2,834)
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	18,643	39,139
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	\$ (364,897)	\$ 375,727
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**12. Financial risk management**

The Society has a risk management framework to monitor, evaluate and manage the principal risks assumed with financial instruments. The significant risks to which the Society is exposed to are:

**Credit Risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk on the accounts receivable from its members, however, does not have a significant exposure to any individual member or counterpart. The Society is also exposed to credit risk on its investments. This risk is mitigated by investing in pools managed by third parties and diversifying its portfolio.

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**The Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**  
(with comparative figures for 2020)

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**12. Financial risk management (continued)**

**Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society's exposure to liquidity risk is dependent on the receipt of funds from its operations and other related sources. Funds from these sources are primarily used to finance working capital and capital expenditure requirements, and are considered adequate to meet the Society's financial obligations.

**Price Risk**

Price 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 Society's investments in equity securities expose the Society to market price risk as such investments are subject to price changes in the open market. The Society does not use any derivative financial instruments to alter the effects of this risk.

**13. Comparative figures**

Certain comparative figures have been reclassified to conform with the presentation in the current year.

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