

# **Law Society of Saskatchewan**

## **Financial Statements**

December 31, 2025



## 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.



Timothy J. Brown, K.C.  
Executive Director



Pamela Harmon, CPA, CA  
Director of Finance & CFO

April 30, 2026  
Regina, Saskatchewan

## INDEPENDENT AUDITORS' REPORT

### To the Members, 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, 2025, 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, 2025, 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

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 30, 2026  
Regina, Saskatchewan

*VIRTUS GROUP LLP*  
Chartered Professional Accountants

**Law Society of Saskatchewan**  
**Statement of Financial Position**  
**As at December 31, 2025**  
(with comparative figures for 2024)

	General Funds	Legislatively Restricted Special Fund	2025	2024
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note 4)	\$ 4,852,039	\$ 16,563	\$ 4,868,602	\$ 5,024,910
Accounts receivable	384,738	40	384,778	346,181
(Payable) receivable from Pro Bono Law Saskatchewan Inc.	17,852	-	17,852	(15,911)
Inter-fund receivable (payable)	97,829	(97,829)	-	-
Prepaid expenses	268,544	59,904	328,448	317,964
	5,621,002	(21,322)	5,599,680	5,673,144
<b>Investments (Note 5)</b>	7,266,089	3,372,201	10,638,290	9,740,201
<b>Tangible capital assets (Note 6)</b>	132,369	-	132,369	144,960
<b>Loan receivable (Note 7)</b>	335,768	-	335,768	395,430
	\$ 13,355,228	\$ 3,350,879	\$ 16,706,107	\$ 15,953,735
<b>Liabilities and Members' Equity</b>				
<b>Current liabilities</b>				
Accounts payable and accrued liabilities	\$ 382,189	\$ 12,815	\$ 395,004	\$ 364,993
- including government remittances of \$72,690				
Payable to SLIA (Note 9)	2,832	-	2,832	4,167
Annual fees received in advance	5,503,664	531,750	6,035,414	5,783,916
	5,888,685	544,565	6,433,250	6,153,076
<b>Members' equity</b>				
<b>Surplus</b>	7,466,543	2,806,314	10,272,857	9,800,659
	\$ 13,355,228	\$ 3,350,879	\$ 16,706,107	\$ 15,953,735
Unclaimed trust fund (Note 3)				
Commitments (Note 8)				

See accompanying notes to the financial statements

Approved by the Benchers



President



Chair of the Audit Committee

**Law Society of Saskatchewan**  
**Statement of Changes in Members' Equity**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

	General Fund	Legislatively Restricted Special Fund	2025	2024
<b>Surplus - Beginning of year</b>	\$ 7,248,997	\$ 2,551,662	\$ 9,800,659	\$ 8,966,689
<b>Excess of revenues over expenses</b>	217,546	254,652	472,198	833,970
<b>Surplus - End of year</b>	\$ 7,466,543	\$ 2,806,314	\$ 10,272,857	\$ 9,800,659
<b>Restricted Surplus</b>				
Internally restricted (Note 2)	\$ 5,510,000	\$ -	\$ 5,510,000	\$ 5,250,000
Externally restricted (Note 2)	-	2,806,314	2,806,314	2,551,662
<b>Unrestricted Surplus</b>	1,956,543	-	1,956,543	1,998,997
	\$ 7,466,543	\$ 2,806,314	\$ 10,272,857	\$ 9,800,659

See accompanying notes to the financial statements

**Law Society of Saskatchewan**  
**Statement of Operations**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

	General Funds	Legislatively Restricted Special Fund	2025	2024
<b>Revenues</b>				
Member Fees & Dues	\$ 5,717,206	\$ 652,976	\$ 6,370,182	\$ 6,247,505
Grants (Note 9)	956,000	-	956,000	756,300
Investment Income	449,249	193,124	642,373	740,949
Programs				
Continuing Professional Development	231,575	-	231,575	266,870
Legal Resources	20,715	-	20,715	43,075
Management Fees	248,801	-	248,801	239,362
Fines, Penalties and Recoveries	43,471	-	43,471	39,701
Other Revenues	52,529	9,974	62,503	59,942
	<u>\$ 7,719,546</u>	<u>\$ 856,074</u>	<u>\$ 8,575,620</u>	<u>\$ 8,393,704</u>
<b>Expenses</b>				
Personnel	\$ 4,449,783	\$ 500,887	\$ 4,950,670	\$ 4,657,093
Programs				
Legal Resources	1,097,181	-	1,097,181	900,118
Professional Responsibility	218,487	-	218,487	285,250
Professional Legal Education	241,800	-	241,800	196,300
Trust Safety	-	164,389	164,389	206,747
Continuing Professional Development	63,402	-	63,402	64,316
Operations	600,162	4,479	604,641	553,886
Occupancy	302,973	-	302,973	293,295
Governance	304,969	-	304,969	319,350
Grants & Scholarships	68,700	-	68,700	68,010
Trusteeships	23,226	23,226	46,452	32,478
	<u>\$ 7,370,683</u>	<u>\$ 692,981</u>	<u>\$ 8,063,664</u>	<u>\$ 7,576,843</u>
<b>Excess of revenues over expenses for the year before other items</b>	<u>\$ 348,863</u>	<u>\$ 163,093</u>	<u>\$ 511,956</u>	<u>\$ 816,861</u>
<b>Other items:</b>				
Strategic Expenses	(328,598)	-	(328,598)	(235,624)
Unrealized Gain on Investments	197,281	91,559	288,840	252,733
<b>Excess of revenues over expenses for the year</b>	<u>\$ 217,546</u>	<u>\$ 254,652</u>	<u>\$ 472,198</u>	<u>\$ 833,970</u>

See accompanying notes to the financial statements

**Law Society of Saskatchewan**  
**Statement of Cash Flows**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

	<b>2025</b>	<b>2024</b>
<b>Cash provided by (used in) operating activities:</b>		
Excess of revenues over expenses	\$ 472,198	\$ 833,970
Items not involving cash:		
Amortization	95,392	125,615
Unrealized (gain) on investments	(288,840)	(252,733)
(Gain) loss on disposal of investments	(20,067)	14,672
	<u>258,683</u>	<u>721,524</u>
Non-cash operating working capital (Note 11)	197,330	234,926
	<u>456,013</u>	<u>956,450</u>
<b>Cash provided by (used in) investing activities:</b>		
Additions to investments	(946,464)	(1,013,920)
Proceeds on disposal of investments	357,283	349,695
Additions to property and equipment	(82,802)	(56,003)
Principle received on loans receivable	59,662	57,368
	<u>(612,321)</u>	<u>(662,860)</u>
<b>Increase in cash and cash equivalents</b>	(156,308)	293,590
<b>Cash and cash equivalents - beginning of year</b>	<u>5,024,910</u>	<u>4,731,320</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 4,868,602</u>	<u>\$ 5,024,910</u>

See accompanying notes to the financial statements

**Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

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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 in the 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.

**Internally restricted surplus**

The Society has established an internally restricted reserve as part of the General Funds. This reserve is used to sustain operations, maintain necessary infrastructure and fund strategic initiatives and opportunities. The reserve is intended to mitigate the depletion of reserves by offsetting the impacts of market volatility, anticipated declines in membership and other risks as well as stabilize fees into the future.

**Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

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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 monies 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, 2025, the Society had trust assets and liabilities relating to this fund in the amount of \$385,000 (2024 - \$325,041) 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>2025</u>	<u>2024</u>
Cash	\$ 4,868,602	\$ 322,538
Term Deposits	-	4,702,372
	<u>\$ 4,868,602</u>	<u>\$ 5,024,910</u>

Term deposits held in 2024 consisted of five separate term deposits with terms ranging from 30 to 271 days earning interest at a rate of 3.13% to 4.50%.

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**Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

**5. Investments**

	<u>2025</u>	<u>2024</u>
Fixed Income Pooled Fund	\$ 367,170	\$ 422,369
Private Debt Fund Pooled Fund Trust	1,169,220	966,681
Bond Plus Fund	2,551,372	2,264,973
Balanced Plus Fund	6,550,528	6,086,178
	<u>\$ 10,638,290</u>	<u>\$ 9,740,201</u>

At December 31, 2025 investments had a cost basis of \$10,543,960 (2024 - \$9,934,711).

**6. Tangible capital assets**

	<u>2025</u>		<u>2024</u>	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment & software	\$ 972,331	\$ 936,029	\$ 36,302	\$ 42,425
Furniture and equipment	350,746	346,051	4,695	5,034
Leasehold improvements	150,202	117,540	32,662	25,649
Membership database	209,424	192,127	17,297	7,747
Miscellaneous capital items	516,559	475,146	41,413	64,105
	<u>\$ 2,199,262</u>	<u>\$ 2,066,893</u>	<u>\$ 132,369</u>	<u>\$ 144,960</u>

**7. Loan receivable**

The Society lent \$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. The year end balance includes \$6,584 in accrued interest (2024 - \$7,754).

**8. Commitments**

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

2026	\$ 1,317,339
2027	534,806
2028	75,750

**Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

**9. 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, 2025 and 2024 and for the years then ended, report the following:

	<u>2025</u>	<u>2024</u>
<b>Financial position</b>		
Total assets	\$ 27,512,168	\$ 25,523,034
Total liabilities	12,478,608	11,375,307
Total equity	15,033,560	14,147,727
	<u>\$ 27,512,168</u>	<u>\$ 25,523,034</u>
	<u>2025</u>	<u>2024</u>
<b>Results of operations</b>		
Total revenues	\$ 4,737,176	\$ 4,137,745
Total expenses	3,851,343	2,456,423
Excess of revenues over expenses	<u>\$ 885,833</u>	<u>\$ 1,681,322</u>
<b>Cash flows</b>		
Cash provided by operating activities	\$ 1,058,508	\$ 1,632,677
Cash (used in) investing activities	(1,609,127)	(915,158)
Cash (used in) financing activities	308,303	(275,208)
(Decrease) increase in cash	<u>\$ (242,316)</u>	<u>\$ 442,311</u>

During the year, the Society earned management fees of \$226,401 (2024 - \$221,962) for services provided to SLIA and SLIA contributed \$56,000 (2024 - \$56,000) to the Society's libraries by way of an annual grant. Included in accounts payable is a balance of \$2,832 (2024 - \$4,167) 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.

**Law Society of Saskatchewan**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2025**  
(with comparative figures for 2024)

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

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

<b>Decrease (increase) in current assets:</b>	<b><u>2025</u></b>	<b><u>2024</u></b>
Accounts receivable	\$ (38,597)	\$ 64,372
Receivable from PBLs	(33,763)	88,639
Prepaid expenses	(10,484)	1,357
	<hr/>	<hr/>
	(82,844)	154,368
	<hr/>	<hr/>
<b>Increase (decrease) in current liabilities:</b>		
Accounts payable and accrued liabilities	30,011	(60,628)
Payable to SLIA	(1,335)	960
Annual fees received in advance	251,498	140,226
	<hr/>	<hr/>
	280,174	80,558
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	\$ 197,330	\$ 234,926
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**11. 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.

**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.

**12. Comparative figures**

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

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