

LAW SOCIETY OF NEWFOUNDLAND & LABRADOR

Financial Statements

Year Ended December 31, 2024

LAW SOCIETY OF NEWFOUNDLAND & LABRADOR

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Year Ended December 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Law Society of Newfoundland & Labrador

Qualified Opinion

We have audited the financial statements of Law Society of Newfoundland & Labrador (the "Law Society"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Law Society as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

The Lawyer's Insurance Programme derives revenues from transaction levies, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amount recorded in the Lawyer's Insurance Programme. Therefore, we are not able to determine whether any adjustments might be necessary to: the current assets reported in the statement of financial position as at December 31, 2024 and December 31, 2023; the revenues and net earnings (loss) reported in the statement of operations for the years ended December 31, 2024 and December 31, 2023; the unrestricted net assets, at the beginning and end of the year report in the statement of changes in net assets for the years ended December 31, 2024 and December 31, 2023; the net income (loss) reported in the statement of cash flows for the years ended December 31, 2024 and December 31, 2023. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2023 was modified because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Law Society in accordance with 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 qualified audit opinion.

Other Matter

The financial statements for the year ended December 31, 2023 were audited by another auditor who expressed a qualified opinion on those financial statements on April 19, 2024 for the reasons described in the *Basis for Qualified Opinion* section.

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 ASNPO, 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 Law 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 Law Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Law Society's financial reporting process.

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Independent Auditor's Report to the Members of Law Society of Newfoundland & Labrador (*continued*)

Auditor's 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 auditor's 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 Law 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 Law 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 auditor's 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 auditor's report. However, future events or conditions may cause the Law 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.

Chartered Professional Accountants
St. John's, NL
April 11, 2025

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR
Statement of Financial Position
December 31, 2024

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	Internally Restricted Fund (note 2)	2024	2023
ASSETS:							
Current assets:							
Cash and cash equivalents	\$ 309,199	\$ 233,380	\$ 63,338	\$ -	\$ -	\$ 605,917	\$ 1,722,303
Trade receivable (net of allowance of \$NIL, 2023 - \$6,284)	5,709	256,570	-	-	-	262,279	280,005
Accounts receivable - other	29,029	15,863	-	-	-	44,892	12,033
Investments and marketable securities (Note 6)	1,091,990	16,668,102	890,568	13,644	-	18,664,304	17,625,057
Receivable from CLIA (Note 15)	-	403,901	-	-	-	403,901	97,833
Prepaid expenses	67,222	199,676	45,252	-	-	312,150	272,366
Interfund balances	(1,015,407)	-	-	-	1,015,407	-	-
	487,742	17,777,492	999,158	13,644	1,015,407	20,293,443	20,009,597
Capital assets (Note 6)	602,557	-	-	-	-	602,557	741,789
	1,090,299	17,777,492	999,158	13,644	1,015,407	20,896,000	20,751,386
LIABILITIES:							
Current liabilities:							
Accounts payable and accrued liabilities (Note 9)	191,658	15,491	-	-	-	207,149	133,956
Provision for unpaid claims	-	-	-	-	-	-	17,369
Reserve for claims and related costs (Note 10)	-	3,283,255	-	-	-	3,283,255	4,213,352
	191,658	3,298,746	-	-	-	3,490,404	4,364,677
NET ASSETS:							
General Funds	898,641	-	-	-	-	898,641	1,177,680
Lawyers' Insurance Programme	-	14,478,746	-	-	-	14,478,746	13,384,741
Assurance Fund	-	-	999,158	-	-	999,158	906,328
Endowment Fund	-	-	-	13,644	-	13,644	12,886
Internally Restricted Fund (Note 4)	-	-	-	-	1,015,407	1,015,407	905,074
	898,641	14,478,746	999,158	13,644	1,015,407	17,405,596	16,386,709
Contingent liability (Note 11)							
Commitments (Note 12)							
	\$ 1,090,299	\$ 17,777,492	\$ 999,158	\$ 13,644	\$ 1,015,407	\$ 20,896,000	\$ 20,751,386

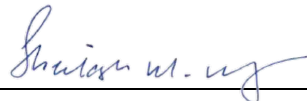
ON BEHALF OF THE BOARD:



President



Vice President



Chair of Insurance Programme

The accompanying notes are an integral part of these financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR
Statement of Operations
December 31, 2024

	General Func	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	Internally Restricted Fund (note 2)	2024	2023
Revenue:							
Admissions fees (Note 13)	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000	\$ 62,550
Annual fees (Note 14)	1,863,263	626,175	83,117	-	-	2,572,555	2,273,850
Audit program	-	21,428	-	-	-	21,428	20,265
Bar admissions course	51,750	-	-	-	-	51,750	76,500
Continuing legal education	34,744	-	-	-	-	34,744	89,645
Law Foundation Grant	200,000	-	-	-	-	200,000	150,000
Interest - membership fees	52,590	-	-	-	-	52,590	46,603
Investment income (Note 6)	183,352	1,819,570	100,728	1,158	-	2,104,807	1,101,588
Other income	38,858	-	256	-	-	39,113	31,100
Transaction levy revenue	-	900,665	-	-	-	900,665	876,435
	2,489,557	3,367,837	184,100	1,158	-	6,042,651	4,728,536
General and administrative expenses:							
Salaries and benefits	1,549,121	785,894	-	-	-	2,335,015	2,142,070
Claims costs and provisions for unpaid claims and related costs (Note 7)	-	794,201	-	-	-	794,201	1,372,411
Discipline expense	19,050	-	-	-	-	19,050	23,018
CLIA premiums	-	387,777	-	-	-	387,777	338,958
Federation of Law Societies' fees	64,365	-	-	-	-	64,365	61,211
Libraries	234,116	-	-	-	-	234,116	196,088
Building operation	181,129	-	-	-	-	181,129	142,076
Custodianship	-	29,741	-	-	-	29,741	16,673
Audit program	-	33,701	-	-	-	33,701	1,011
Amortization	142,833	-	-	-	-	142,833	145,269
Insurance	26,841	-	91,270	-	-	118,111	104,664
Professional fees	45,513	10,000	-	-	-	55,513	83,057
Continuing legal education	17,102	-	-	-	-	17,102	6,171
Benchers' convocations and receptions	69,210	-	-	-	-	69,210	56,836
Professional development	39,178	18,892	-	-	-	58,070	62,881
Strategic initiatives (PLIAN)	32,500	-	-	-	32,500	65,000	125,000
Professional assistance program	-	35,111	-	-	-	35,111	34,405
Bar admission course	18,984	-	-	-	-	18,984	21,652
Materials and supplies	260,548	9,438	-	400	-	270,385	210,219
Courier services	13,015	-	-	-	-	13,015	13,059
Actuarial fees	-	47,877	-	-	-	47,877	46,144
Telephone	32,258	1,201	-	-	-	33,459	33,402
Bad debt	-	-	-	-	-	-	3,516
Admin expenses	-120,000	120,000	-	-	-	-	-
	2,625,762	2,273,832	91,270	400	32,500	5,023,764	5,239,791
Net earnings (loss)	\$ (136,206)	\$ 1,094,005	\$ 92,830	\$ 758	\$ (32,500)	\$ 1,018,887	\$ (511,255)

The accompanying notes are an integral part of these financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR
Statement of Changes in Net Assets
December 31, 2024

	General Fund	Lawyers' Insurance Programme	Assurance Fund	Endowment Fund	Internally Restricted Fund (note 2)	2024	2023
Net assets, beginning of year	\$ 1,177,680	\$ 13,384,741	\$ 906,328	\$ 12,886	\$ 905,074	\$ 16,386,709	\$ 16,897,964
Net earnings (loss)	(136,206)	1,094,005	92,830	758	(32,500)	1,018,887	(511,255)
Transfer from capital asset reinvestment	(142,833)	-	-	-	142,833	-	-
Net assets, end of year	\$ 898,641	\$ 14,478,746	\$ 999,158	\$ 13,644	\$ 1,015,407	\$ 17,405,596	\$ 16,386,709

The accompanying notes are an integral part of these financial statements.

LAW SOCIETY OF NEWFOUNDLAND AND LABRADOR
Statement of Cash Flows
December 31, 2024

	2024	2023
Operating:		
Net earnings (loss)	\$ 1,018,887	\$ (511,255)
Items not involving cash:		
Amortization	142,833	145,269
Unrealized (gain) loss on investments	(631,860)	(378,108)
Change in provision for unpaid claims	(17,369)	(4,731)
Change in reserve for claims and related costs	(930,097)	565,644
	(417,606)	(183,181)
Changes in non-cash operating working capital:		
Decrease in trade receivable	25,124	7,726
Decrease (increase) in accounts receivable - other	(14,651)	13,688
(Increase) decrease in receivable from CLIA	(306,068)	(7,777)
Increase in prepaid expenses	(39,779)	(31,245)
(Decrease) increase in accounts payable and accrued liabilities	73,192	(111,264)
(Decrease) increase in accounts receivable non-current	(25,605)	35,374
	(287,787)	(93,498)
Investing:		
Proceeds from sales of investments and marketable securities	458,191	2,685,363
Purchases of investments and marketable securities	(865,581)	(1,153,016)
Purchase of capital assets	(3,603)	(30,049)
	(410,993)	1,502,298
Increase (decrease) in cash and cash equivalents	(1,116,386)	1,225,619
Cash and cash equivalents, beginning of year	1,722,303	496,684
Cash and cash equivalents, end of year	\$ 605,917	\$ 1,722,303

The accompanying notes are an integral part of these financial statements.

LAW SOCIETY OF NEWFOUNDLAND & LABRADOR

Notes to Financial Statements

Year Ended December 31, 2024

1. PURPOSE OF THE LAW SOCIETY

The Law Society of Newfoundland and Labrador (the "Law Society") is a regulatory body for the legal profession in the province. The Law Society is a not-for-profit entity and, as such, is exempt from the payment of income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

Law Society of Newfoundland & Labrador follows the restricted fund method of accounting for contributions.

General Fund

Operations include all activities related to the Law Society not directly associated with the Assurance Fund or the Lawyers' Insurance Programme.

Lawyers' Insurance Programme (the "Programme")

Operations relate to the administration of professional liability insurance for members of the Law Society whereby professional liability insurance is provided to the members of the Law Society by the Canadian Lawyers' Insurance Association ("CLIA"). The Programme receives contributions from members of the Law Society through annual insurance premiums. In addition, effective October 1, 2005, the Programme commenced the collection of transactions levies. The levies are collected from members of the Law Society on certain legal transactions and are then reported and remitted to the Programme on a quarterly basis.

Assurance Fund

Operations relate to providing compensation to individuals who have suffered a loss due to misappropriation of funds or other fraudulent activities by a member.

Endowment Fund

The Endowment Fund holds investments for the purpose of providing scholarships to law students in the province of Newfoundland and Labrador.

Internally Restricted Fund

Benchers restrict certain funds which are not available without approval from the Benchers.

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LAW SOCIETY OF NEWFOUNDLAND & LABRADOR

Notes to Financial Statements

Year Ended December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Reserve for claims and related costs

The reserve for claims and related costs is based upon the change from year to year of the claims and related costs. The reserve value is based upon the greater of the Programme's current year estimate of incurred costs of claims and the actuarial computed discounted costs of possible claims for the current year.

The Programme's appointed actuary is engaged to provide an annual valuation of the reserve for claims and related costs in accordance with the standards of practice adopted by the Canadian Institute of Actuaries. For the purpose of the actuarial valuation, the actuary is making use of certain information contained in the Programme's financial records.

Claims and related costs of the Programme are subject to specific maximum limits set out in the insurance policy with CLIA. CLIA's liability is limited to \$1,000,000 per occurrence, and \$2,000,000 in aggregate per policy year. A deductible of \$5,000 is recoverable from the insured member at the time of claim pay-out. Until June 30, 2009 the Programme was responsible for administrative costs but did not retain any responsibility for the indemnification of claims. From July 1, 2009 onward the Programme has been responsible for administrative costs and for the indemnification of claims to specified limits. The limits per claim year are as follows:

	Per occurrence	In aggregate
July 1, 2009 - June 30, 2010	\$ 100,000	\$ 900,000
July 1, 2010 - June 30, 2011	100,000	1,000,000
July 1, 2011 - June 30, 2012	200,000	1,350,000
July 1, 2012 - June 30, 2013	200,000	1,375,000
July 1, 2013 - June 30, 2014	200,000	1,400,000
July 1, 2014 - June 30, 2015	300,000	1,600,000
July 1, 2015 - June 30, 2016	300,000	1,675,000
July 1, 2016 - June 30, 2017	300,000	1,305,000
July 1, 2017 - June 30, 2018	300,000	1,365,000
July 1, 2018 - June 30, 2019	300,000	1,500,000
July 1, 2019 - June 30, 2020	300,000	1,400,000
July 1, 2020 - June 30, 2021	300,000	1,360,000
July 1, 2021 - June 30, 2022	300,000	1,405,000
July 1, 2022 - June 30, 2023	300,000	1,390,000
July 1, 2023 - June 30, 2024	300,000	1,510,000
July 1, 2024 - June 30, 2025	300,000	1,395,000
	\$ 4,100,000	\$ 21,930,000

Recoveries

Recoveries from claims and related costs from insurers and other parties are recorded when they can be reasonably estimated, and collectability is reasonably assured. Otherwise, the recovery is recorded when received.

Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term investments with a maturity of less than 90 days.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

The Law Society follows the restricted fund method of accounting for revenue which include annual fees, admission fees, and other fees for education and trust audits, grants, and investment income. Revenue from annual fees are recognized in the general fund over the course of the calendar year. Revenue from insurance and assurance premiums are recognized in the Lawyers' Insurance Programme and General Assurance Program, respectively, as they are earned. Revenue from various other services provided by the Law Society, are recognized in the general fund over time as the services are provided. Investment income is recognized in the corresponding fund in the period in which it is earned.

Unrestricted revenue is recognized in the general fund when it is received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as revenue in the endowment fund in the period in which they are received.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Law Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Law Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization. Amortization is provided using the following methods and annual rates:

Building	25 years	straight-line method
Library	5 years	straight-line method
Furniture and equipment	25%	declining balance method
Computer hardware	25%	declining balance method
Computer software	25%	declining balance method

The carrying amount of an item of capital assets is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Items subject to such assumptions include collectability of trade receivables, and claims recovery receivable, the useful life of capital assets, reserve for claims and related costs, and provision for unpaid claims. Actual results could differ from these estimates.

3. FINANCIAL INSTRUMENTS

Financial instruments consist of cash and cash equivalents, accrued claims recovery, trade receivable, other receivables, investments and marketable securities, accounts payable and accrued liabilities, and provision for unpaid claims. Investments and marketable securities are carried at fair value, and all other financial instruments approximate their carrying amounts due to their short-term maturity and liquidity.

The Law Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Law Society's risk exposure and concentration as of December 31, 2024.

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 comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Law Society is mainly exposed to interest rate risk and other price risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Interest rate changes directly impact the fair value of fixed income securities. Interest rate changes will also have an indirect impact on the other investments and marketable securities. The Law Society uses investment diversification to manage this risk.

Other price risk

Other 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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Law Society is exposed to other price risk through its investment in quoted shares. The Law Society manages this risk by ensuring that investment policies are established and adhered to, using professional advisors to manage the portfolio and ensure investment diversification.

Unless otherwise noted, it is management's opinion that the Law Society is not exposed to significant other price risks arising from these financial instruments.

LAW SOCIETY OF NEWFOUNDLAND & LABRADOR

Notes to Financial Statements

Year Ended December 31, 2024

4. INTERNALLY RESTRICTED FUND

Internally restricted funds consist of the following:

\$538,978 for capital asset reinvestment (2023 - \$396,145)

\$74,670 for strategic initiatives (2023 - \$87,170)

\$401,759 for future operations (2023 - \$421,759)

These internally restricted amounts are not available for other purposes without approval by the Benchers.

5. TRUST ACCOUNT

The Law Society holds a trust account which represents cash received from law firms for funds unclaimed in trust accounts. At the balance sheet date, the amounts received from law firms and held in trust was \$261,062 (2023 - \$280,902). The Law Society holds these funds until such time as they are claimed to a maximum period of 10 years after which unclaimed funds are turned over to the Law Foundation.

6. INVESTMENTS AND MARKETABLE SECURITIES

	2024	2023
Fixed income	\$ 9,256,133	\$ 7,842,051
Equities	97,170	3,411,694
Mutual funds	8,167,408	5,094,048
Principal protected notes and other	1,143,593	1,277,264
	\$ 18,664,304	\$ 17,625,057

Included in investment income is interest income of \$586,646 (2023 - \$545,494), dividend income of \$280,442 (2023 - \$217,354), unrealized gains of \$631,860 (2023 - \$378,108), and realized gain on the disposal of marketable securities of \$458,191 (2023 - (losses) of \$35,216).

7. CLAIM COSTS AND PROVISION FOR UNPAID CLAIMS AND RELATED COSTS

In 2022, the Programme purchased a property located on the Avalon peninsula of Newfoundland as part of a settlement of claim. The cost of the settlement was \$355,639 and is recorded within claim costs and provision for unpaid claims and related costs. The title of the property is being disputed, therefore management is unable to determine whether any future economic benefit will flow to the Programme. Any potential recovery from an eventual sale of the property will be recognized in the year received. As of December 31, 2024, there was no change to the status as the Entity is waiting for a response from the Crown.

LAW SOCIETY OF NEWFOUNDLAND & LABRADOR

Notes to Financial Statements

Year Ended December 31, 2024

8. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 73,429	\$ -	\$ 73,429	\$ 73,429
Building	2,155,814	1,768,857	386,957	473,190
Library	144,504	86,702	57,802	86,702
Furniture and equipment	454,665	417,972	36,693	44,898
Computer hardware	31,815	25,613	6,202	8,270
Computer software	141,586	100,111	41,475	55,300
	\$ 3,001,813	\$ 2,399,255	\$ 602,558	\$ 741,789

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31, 2024 there was \$61,249 (2023 - \$30,586) in trade accounts payable included in the accounts payable and accrued liabilities.

10. RESERVE FOR CLAIMS AND RELATED COSTS

	2024	2023
Provision for claims and related costs beginning of year	\$ 4,213,352	\$ 3,647,708
Current year expense (recovery)	(930,097)	911,988
Claims and related costs paid during the year	-	(346,344)
	3,283,255	4,213,352

As at December 31, 2024, the outstanding claims liabilities, calculated by the Programme's actuaries in accordance with the standards of practice of the Canadian Institute of Actuaries, were as follows:

	2024	2023
Discounted damages and defence costs	2,142,637	3,095,170
Discounted adjusting and counselling fees	317,041	242,153
Discounted internal claim administration expenses	457,515	403,050
Deductible write-off	39,643	39,049
	2,956,836	3,779,422
Provision for adverse deviation - claims development	298,142	393,154
Provision for adverse deviation - discount rate	28,277	40,776
Total discounted liabilities plus provision for adverse deviation	\$ 3,283,255	\$ 4,213,352

The liabilities have been discounted at a rate of 3.6% (2023 - 4.4%). The provision for adverse deviation for 2024 and 2023 includes a margin of 25 to 200 basis points on the discount rate and 2.5% to 20% on the claims development variables. There is no active market for the trading of claims liabilities, however the present value of the actuarial claims liabilities, including provision for adverse deviation is considered an indicator of fair value.

LAW SOCIETY OF NEWFOUNDLAND & LABRADOR**Notes to Financial Statements****Year Ended December 31, 2024****11. CONTINGENT LIABILITY**

The Law Society is periodically the subject of potential legal claims. The outcome of any potential claim is not determinable at this time. Accordingly, no provision for losses has been reflected in the accounts of the Law Society.

12. COMMITMENTS

The Law Society has equipment leases with the following annual lease payments:

Contractual obligation repayment schedule:

2025	\$	7,035
2026		6,516
2027		4,959
2028		3,720

The Law Society has also committed to providing the Public Legal Information Association of NL ("PLIAN") with funding in the amount of \$65,000 for the next year, subject to good financial stewardship.

13. ADMISSION FEES

Admission fees consist of the following:

	2024	2023
Articled clerks	\$ 7,500	\$ 9,900
Call to bar	27,500	21,250
Certificate of standing	5,250	3,900
Transfers	24,750	27,500
	\$ 65,000	\$ 62,550

14. ANNUAL FEES

Annual fees consist of the following:

	2024	2023
Assurance Fund annual membership fee	\$ 83,117	\$ 41,096
Law Society annual membership fee	1,761,276	1,522,637
Federation fees	62,337	61,651
Professional law corporation fees	39,650	30,774
Insurance premiums	626,175	617,692
	\$ 2,572,555	\$ 2,273,850

15. EQUITY IN CANADIAN LAWYERS' INSURANCE PROGRAMME

The Canadian Lawyers' Insurance Programme (the "Programme") is a subscriber to the CLIA, a reciprocal insurance exchange through which the law societies of six provinces and three territories (or their associated liability insurance entities) enter into agreements of mutual indemnification. CLIA maintains separate reserves for each participating entity with regards to risks assumed, and the Programme has an interest in the surpluses of these reserves. CLIA prepares annual Subscriber Accounts as of December 31, which represents the end of their fiscal year, which are reviewed and approved by CLIA's Advisory Board. These accounts include a reserve for claims liabilities on a discounted basis. The Subscribers Accounts of CLIA in respect of Part A coverage as of December 31, 2024 show the Programme's subscriber's equity to be \$2,118,922 (2023 - \$1,940,407) of which \$403,901 (2023 - \$97,833) is recorded as recoverable as of December 31, 2024. The Subscribers Accounts of CLIA in respect of Part C coverage as at December 31, 2024 show the Programme's subscriber's equity to be \$398,201 (2023 - \$344,488), of which \$Nil is recorded as recoverable as of December 31, 2024 (2023 - \$Nil).