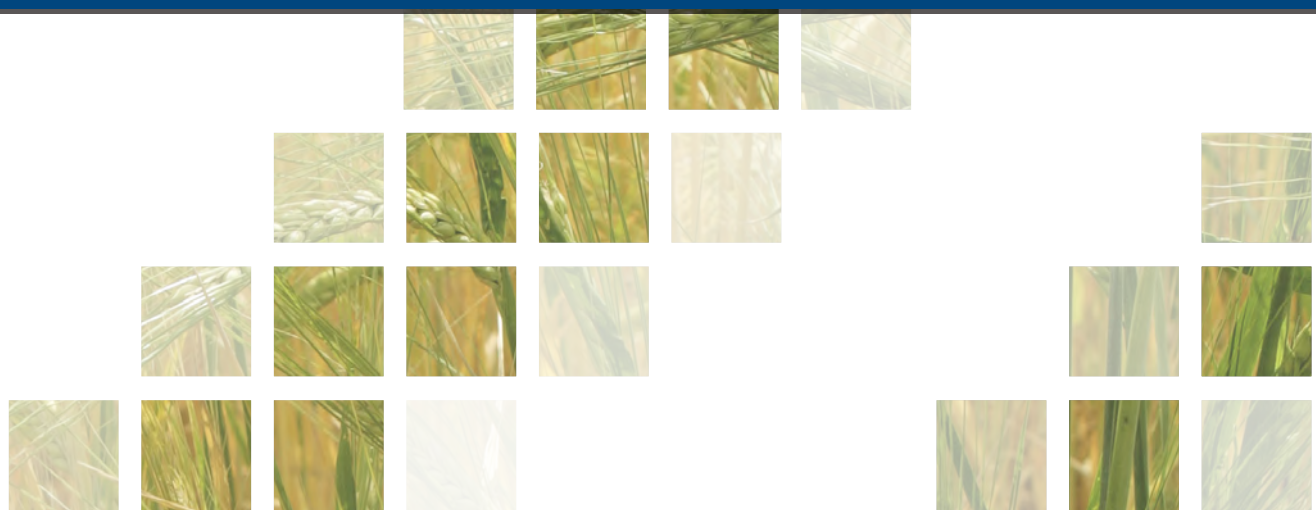




2016-2017  
**ANNUAL REPORT**



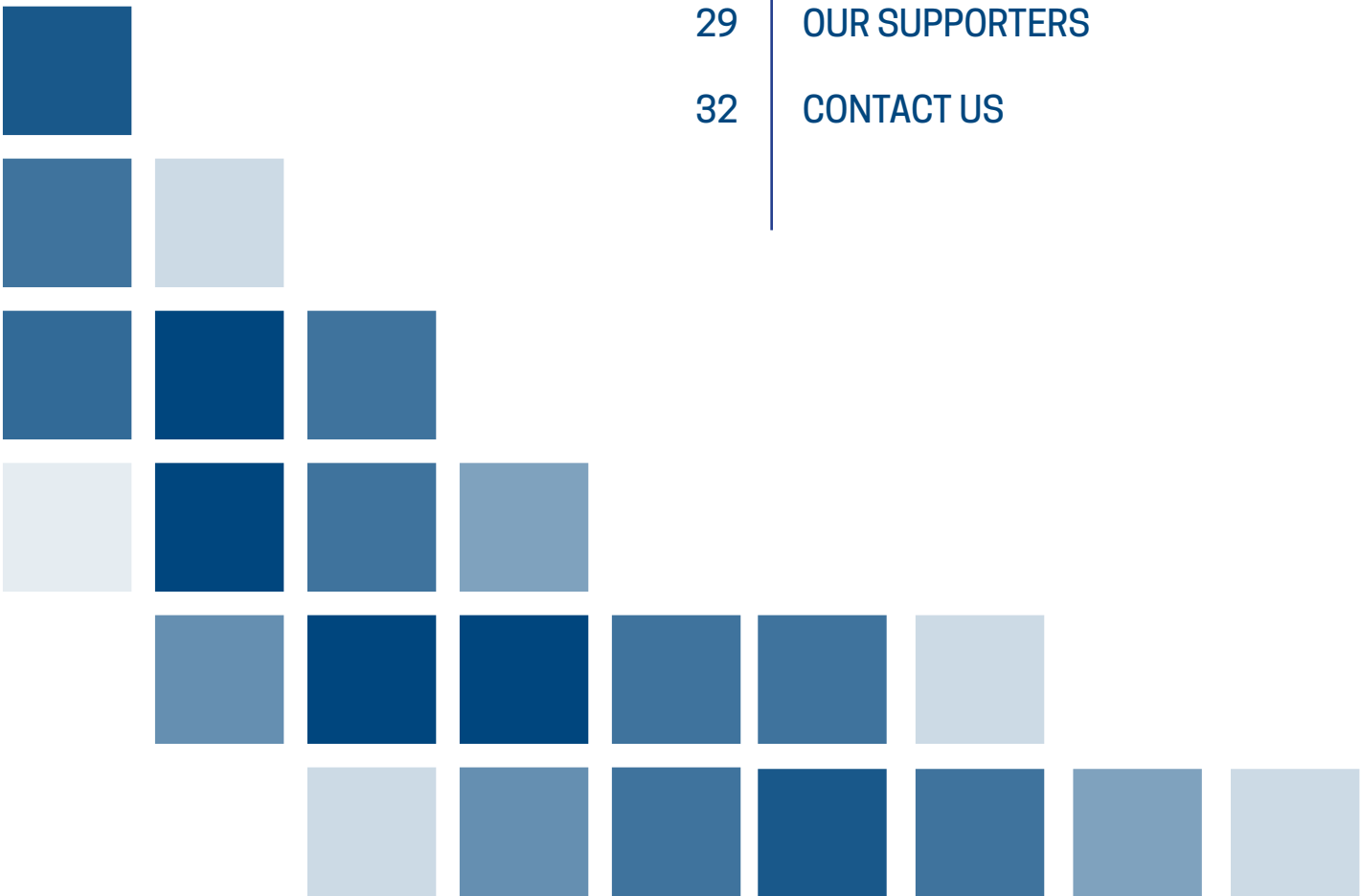


*Dedicated to advancing just and effective laws through independent legal research, consultation and analysis.*



# CONTENTS

4	FROM THE CHAIRMAN
5	FROM THE EXECUTIVE DIRECTOR
7	WHO WE ARE
11	WHAT WE DO
17	OUR FUNDERS
29	OUR SUPPORTERS
32	CONTACT US



*...these reports reflect wide ranging research and significant consultation and review of the Uniform Trustee Act, 2012 to ensure the policy options we presented reflected Alberta's modern trustee law practice. We are hopeful that new legislation based on our recommendations will be tabled in the near future and are ready to help facilitate implementation.*



## HONOURABLE JUDGE CHARLES GARDNER, CHAIRMAN

As Chair of the Alberta Law Reform Institute (ALRI), I am proud to say that 2016-2017 was a productive year. Final Reports, *A New Trustee Act for Alberta* and *Abolition of Perpetuities Law* were published in early 2017. Both of these reports reflect wide ranging research and significant consultation and review of the *Uniform Trustee Act, 2012* to ensure the policy options we

presented reflected Alberta's modern trustee law practice. We are hopeful that new legislation based on our recommendations will be tabled in the near future and are ready to help facilitate implementation.

The ALRI Board experienced some changes this term. The Honourable Justice Madam Karen M. Horner attended her last meeting in November of 2016. ALRI appreciates the expertise she brought to the table and thanks Justice Horner for her many contributions throughout her time with us.

On a more sombre note, ALRI said goodbye to one of its founders, Director Emeritus William H. Hurlburt Q.C., who passed away in late 2016. Bill was instrumental to establishing ALRI in 1967 and was a continual presence on the Board as the Minister's appointee, Director Emeritus, and later as Special Advisor.

During this period of slow economic recovery, ALRI has seen year-over-year reductions of its funding despite the legislative contributions we have made. Uncertainty surrounding long-term funding is an obstacle as we are asked to take on more significant projects by stakeholders while maintaining our position at the forefront of legal research and reform. With this in mind, optimizing our budget will be a strategic priority as we renew our focus on building awareness of ALRI's role in a just and effective legal system.

ALRI will also be celebrating its 50th year anniversary in 2018 and plans are already in progress to recognize ALRI's contributions to Alberta's legal landscape. We hope to see you there.

*Independent law reform  
has consistently shown  
its value through  
the many, many  
recommendations  
we have made since  
1967 that have been  
implemented by the  
Alberta Legislature or  
referenced by Alberta  
Courts and scholars to  
advance the law.*



## **SANDRA PETERSSON, EXECUTIVE DIRECTOR**

ALRI has faced significant reductions in funding over the past 4 years. Year over year reductions have exceeded 7%. The decrease in cumulative government funding since 2013 exceeds 25%.

ALRI has repeatedly reduced its budget and expenditures. Our core staff numbers are down by 32%. We are now at the point where any further reductions will

jeopardise ALRI's ability to continue to serve the public interest as an effective independent law reform agency.

Despite funding reductions, ALRI's team remains passionate about the work that we do and our goal of advancing just and effective laws for Albertans. We are developing new ways to advance our research, analysis, and consultation practices with a smaller team. This task is not always easy as we have to make strategic choices among projects. Independent law reform has consistently shown its value through the many, many recommendations we have made since 1967 that have been implemented by the Alberta Legislature or referenced by Alberta Courts and scholars to advance the law.

We look forward to continuing to serve Albertans with sound policy recommendations for change as we begin our second half century.





# WHO WE ARE



*The Alberta Law  
Reform Institute  
was established in  
November 1967  
by the Attorney  
General of Alberta,  
the Governors of the  
University of Alberta  
and the Law Society  
of Alberta.*

The Alberta Law Reform Institute was established in November 1967 by the Attorney General of Alberta, the Governors of the University of Alberta and the Law Society of Alberta. We continue to operate to this day under a tripartite agreement between our founding partners and are funded by the Alberta Law Foundation, Alberta Justice and Solicitor General and the University of Alberta. Funding in kind is provided by the University of Alberta and University of Calgary.

Our Board consists of members appointed by our founding partners:

- one elected Benchers, appointed by the Law Society of Alberta
- two persons appointed by the Minister of Justice and Solicitor General
- the Provost of the University of Alberta or an academic staff member appointed by the Provost

Other Board members are appointed as follows:

- one person appointed by the Faculty of Law at the University of Alberta
- one person appointed by the Faculty of Law at the University of Calgary
- four to seven additional members chosen by the other members of the Board
- ALRI's executive director

## BOARD MEMBERS

Nigel Bankes  
Donald Cranston, QC  
Mona Duckett QC, Vice Chair  
The Hon. Justice James Eamon  
The Hon. Judge Charles Gardner, Chair  
The Hon. Justice Karen Horner (to Nov)  
Anne Kirker, QC  
Paul Paton  
Sandra Petersson  
Karen Platten, QC  
Nolan Steed, QC

Roderick Wood

Professor, Faculty of Law, University of Calgary  
Partner, Bennett Jones  
Partner, Dawson Duckett Shaigec & Garcia  
Court of Queen's Bench of Alberta  
Assistant Chief Judge, Provincial Court of Alberta  
Court of Queen's Bench of Alberta  
Partner, Norton Rose Fulbright Canada LLP  
Dean, Faculty of Law, University of Alberta  
Executive Director, Alberta Law Reform Institute  
Partner, McLennan Ross LLP  
Executive Director, Legal Policy and Ministerial Services  
Branch, Alberta Justice and Solicitor General  
Professor, Faculty of Law, University of Alberta

## STAFF MEMBERS

Laura Buckingham  
Carol Burgess  
Barry Chung  
Debra Hathaway  
Ilze Hobin  
Jenny Koziar  
Katherine MacKenzie  
Robyn Mitchell  
Sandra Petersson  
Geneviève Tremblay-McCaig

Counsel  
Operations Manager  
Communications Associate  
Counsel  
Administrative Assistant  
Executive Assistant  
Counsel  
Counsel  
Executive Director  
Counsel



*Involvement in the  
broader community  
is a common thread  
among those who  
work at ALRI.*

## OUR BOARD

The Institute Board has continuously consisted of high-level talent from the Alberta legal community. 2016-2017 was illustrative of how privileged ALRI is to have such outstanding leadership.

Long serving Board member James T. Eamon Q.C. was appointed to the Queen's Bench. Donald Cranston Q.C. was elected by the Law Society of Alberta Benchers to serve as President-Elect.

The tail end of 2016 also saw the departure of Honourable Madam Justice Karen Horner. ALRI will be looking for candidates to fill her vacancy in 2018.

## ALRI ALUMNI

Involvement in the broader community is a common thread among those who work at ALRI. We were glad to see many of our past Board members and students being recognized this year for their contributions to justice in Alberta.

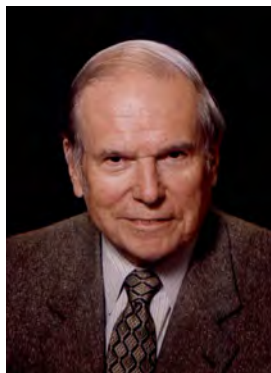
Former Board member Ritu Khullar Q.C. and former summer student Bonnie Bokenfohr were both appointed to the Court of Queen's Bench. Doug Stollery Q.C. who served on the ALRI Board for many years was elected Chancellor of the University of Alberta.



Director Emeritus, Peter Lown Q.C. continued to advance international law reform as the Uniform Law Commission's Executive Director of the International Legal Developments Committee and Research Director to the Joint Editorial

Board on International Law. He also serves as the Uniform Law Conference of Canada's Chair of the Advisory Committee on Program Development and Management, and Chair of the International Committee.

*He wrote the book  
on law reform – both  
figuratively through his  
steadfast commitment to  
the Institute’s work, and  
literally with, Law Reform  
Commissions in the United  
Kingdom, Australia  
and Canada.*



## REMEMBERING WILLIAM H. HURLBURT (1927-2016)

William Hurlburt was a leader, advocate, friend and mentor. He was integral to independent law reform. Half a century ago he served on the Law Society of Alberta’s Law Reform Committee which proposed the creation of an independent, permanent law reform agency for Alberta. This led to the creation of the

Institute of Law Research and Reform, now known as the Alberta Law Reform Institute. The model was innovative – a partnership of the Justice Department, the University of Alberta and the Law Society – and has since seen international adoption.

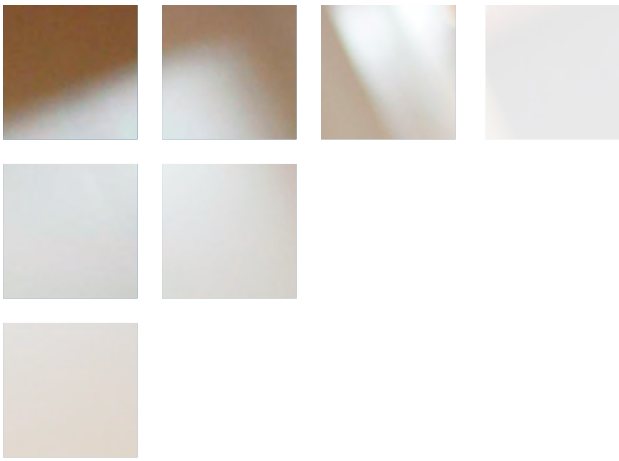
Bill served the Alberta Law Reform Institute as a Board member from 1968 to 2015. Always an active and hands-on law reformer, he wrote or co-wrote some 30 final reports that advanced principled and coherent policy recommendations for legal change. Bill provided intellectual leadership through his well-reasoned and insightful comments. We respected his rigorous analysis and benefited from his unwavering collegial support and mentorship. Bill also provided formal leadership through a term as our Chairman (1971 – 1973) and then as our Director (1975 – 1986). He wrote the book on law reform – both figuratively through his steadfast commitment to the Institute’s work, and literally with, *Law Reform Commissions in the United Kingdom, Australia and Canada*.

Bill’s service as an eminent Alberta jurist was not limited to law reform. He was elected as a Bencher of the Law Society of Alberta in 1966 and served as President in 1975. He was instrumental in the establishment of the Federation of Law Societies of Canada and served as Federation President in 1978. The Canadian Bar Association also benefited from Bill’s leadership during his twelve-year tenure on the CBA Council (1974 – 1986).

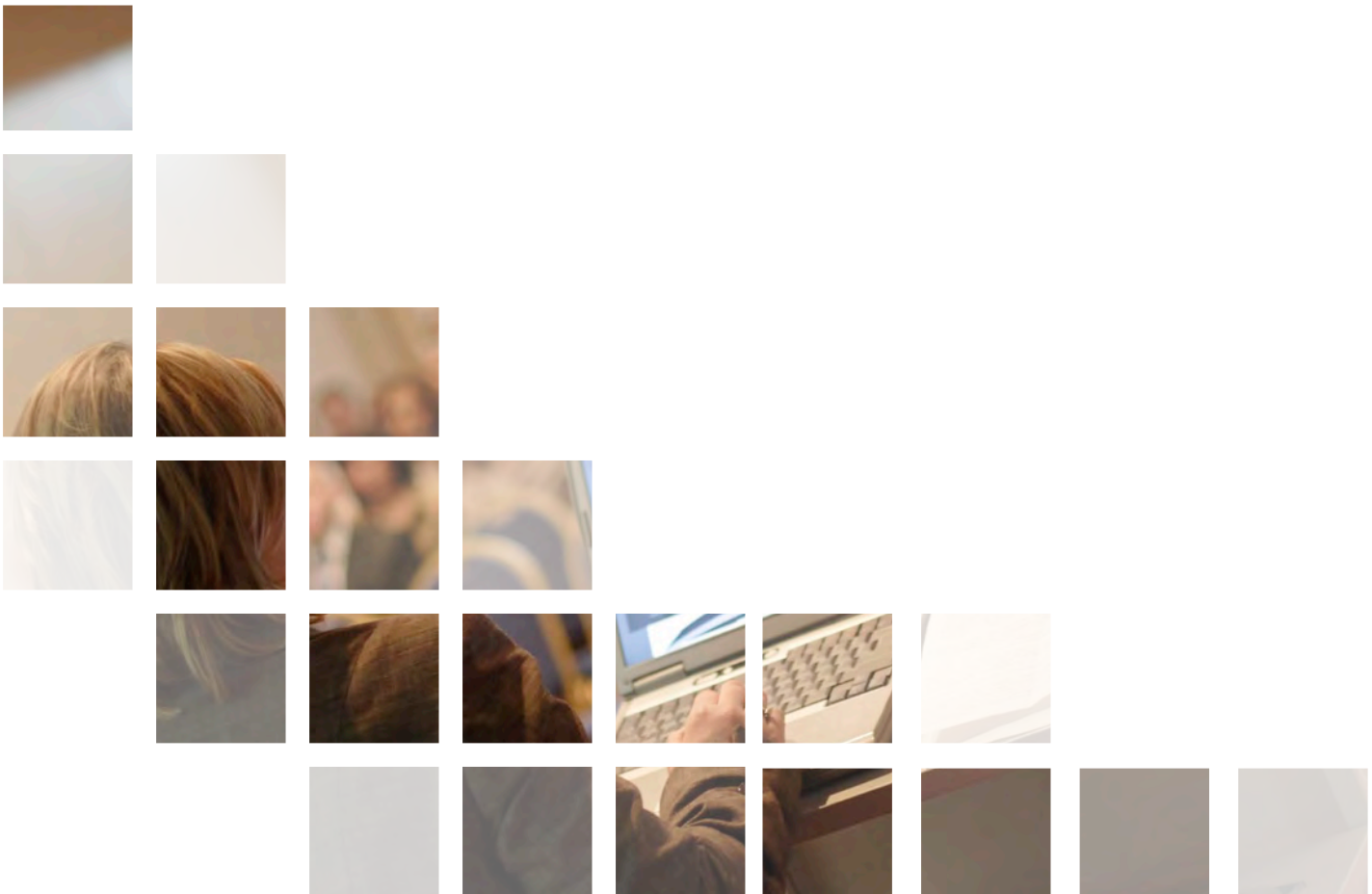
Bill’s significant contributions to the profession, to the laws of Alberta and to the broader community have been recognised by the following honours:

- Queen Elizabeth II Diamond Jubilee Medal, 2012
- Alberta Centennial Medal, 2005
- Doctor of Laws (Honourary), 1997
- Distinguished Service Award, Law Society of Alberta and Canadian Bar Association, 1996
- Distinguished Service Award, Edmonton Bar Association, 1994
- Queen’s Counsel, 1969

Following Bill’s retirement from the Institute Board in 2015, he was given the honorary role of Special Advisor. While we will no longer have the benefit of his advice, he will continue to hold a special place in the minds and hearts of those who knew him.



## WHAT WE DO



# 2016-2017 AT A GLANCE

**650+**  
HOURS VOLUNTEERED  
BY JUDGES & LAWYERS

**1200+**  
SURVEY RESPONSES

**11**  
CONSULTATIONS

**5**  
PRESENTATIONS

**3**  
PUBLICATIONS

**95**  
RECOMMENDATIONS



ALRI is dedicated to advancing just and effective laws through independent legal research, consultation and analysis. We provide independent, comprehensive advice to the Government of Alberta and other agencies to ensure that the law and the administration of justice are kept up-to-date and serve Albertans to the best extent possible.

Our mandate for law reform is set out in the objectives in the 2012 Continuation Agreement:

- the consideration of matters of law reform with a view to proposing to the appropriate authority the means by which laws of Alberta may be made more useful and effective; and
- the preparation of proposals for law reform in Alberta, with respect to both the substantive law and the administration of justice.

## PUBLICATIONS

During this period, ALRI published two Final Reports for projects stemming from the Uniform Law Conference of Canada's (ULCC) Uniform Trustee Act, 2012. While the ULCC recommended the Uniform Trustee Act be adopted by all common-law provinces, ALRI undertook an extensive review of ULCC's Act to ensure that any new trustee legislation would serve Albertans to the best extent possible. Similarly, ALRI carried out a separate project to assess whether the ULCC's recommendation to repeal the rule against perpetuities was an appropriate change for Alberta. ALRI submitted both Final Reports to Alberta Justice and is ready to provide any further assistance to help with implementation.

As part of ALRI's initiative to enhance accessibility to its publications, both Final Reports 109 and 110 were released in versions for Kindle and e-reader devices.

*ALRI undertook an extensive review of ULCC's Act to ensure that any new trustee legislation would serve Albertans to the best extent possible.*



*A New Trustee Act for Alberta*

### **Final Report 109**

**January 2017**

Executive Director Sandra Petersson and Counsel Robyn Mitchell met personally with Minister of Justice Kathleen Ganley to submit our Final Report for consideration. The Report sets out ALRI's final recommendations for new trustee legislation in Alberta. While based on the Uniform Law Conference of Canada's *Uniform Trustee Act*, 2012, ALRI has tailored its recommendations to reflect how modern trusts operate in Alberta.



*Abolition of Perpetuities Law*

### **Final Report 110**

**March 2017**

This project also emerged from ALRI's review of the *Uniform Trustee Act*, 2012. Following public consultation, the Alberta Law Reform Institute recommended abolition of perpetuities law in Alberta. The modern availability of court variation of trusts, tax law and other interests is a sufficient legal mechanism to balance competing interests in this area. Other provinces have abolished perpetuities law without any apparent problems.

The Institute published one Report for Discussion during this term:

- *Rule Against Perpetuities: Abolish or Reform?*  
**(Report for Discussion 29, April 2016)**

This report reexamines the law of perpetuities in Alberta and if it should be abolished or reformed to reflect modern circumstances. The report addressed legal developments in other jurisdictions and outlined potential reform models. The report, along with in-person consultation workshops produced extensive feedback that guided the recommendations presented in Final Report 110.

## OUR ACTIVITIES

The Institute believes that law reform is an interactive and collaborative process. ALRI's dedication to this principle has never been stronger as we seek to increase engagement in our consultation initiatives. During this period, we had the following opportunities to speak about our work and involve the profession and public in shaping our recommendations:

### CONSULTATIONS

- **Rule Against Perpetuities Survey**  
April 2016
- **Property Division for Common-law Couples Roundtable Discussion**  
Edmonton, November 2016
- **Property Division for Common-law Couples Roundtable Discussion**  
Calgary November 2016
- **Telephone survey with University of Alberta Population Research Laboratory**, July 2016
- **Trustee Act**  
Online Survey April 2016
- **Advancement**  
June 2016
- **Trustee Compensation**  
June 2016
- **Trustee Powers and Duties**  
June 2016
- **Non-charitable Purpose Trusts**  
June 2016
- **Court Approval**  
June 2016
- **Variations**  
June 2016

### PRESENTATIONS

- **Rule Against Perpetuities**  
**Debra Hathaway**  
April 2016
- **Property Division for Common-law Couples U of A Family Law Class**  
**Katherine MacKenzie**  
February 2017
- **Property Division for Common-law Couples U of A Family Law Practice Issues Class**  
**Katherine MacKenzie**  
February 2017
- **Law Reform Update CBA Research Section South**  
**Laura Buckingham**  
March 2017
- **What's New in Law Reform**  
**University of Alberta Law Faculty Seminar**  
**Sandra Petersson**  
March 2017



*...the Institute partnered with the Population Research Laboratory at the University of Alberta to conduct a province-wide telephone survey. The collaboration yielded over 1,200 responses and presented an eye-opening snapshot of how Albertans understand and view the legislation surrounding common-law relationships.*

On the collaborative front, ALRI maintained connections with partners across Canada. We presented on a number of topics to the Alberta Branch of the Canadian Bar Association and to the Canadian Research Institute for Law and Family.



As part of our project on common-law property division, the Institute partnered with the Population Research Laboratory at the University of Alberta to conduct a province-wide telephone survey. The collaboration yielded over 1,200 responses and presented an eye-opening snapshot of how Albertans understand and view the legislation surrounding common-law relationships. The results will inform our preliminary recommendations in the upcoming Report for Discussion.

At the national level, Executive Director Sandra Petersson attended the Uniform Law Conference of Canada in Fredericton over the summer of 2016 while ALRI counsel Katherine MacKenzie continues as an active member of the ULCC's Police Security Checks working group.

## STRATEGIC PLANNING

Since 1968, the Institute has been an independent force for positive legal change in Alberta. Throughout this time, obstacles were overcome, successes were celebrated, and setbacks were learned from. Recognizing that the next 50 years will be just as challenging, if not more so, Institute Board and Staff came together for a 3-day strategic planning session where we consolidated the lessons learned over five decades of law reform.

Board and Staff joined in focused conversations about ALRI's mission, values, and vision. With an overarching goal of just and effective laws to guide the discussion, ALRI surveyed the current operating context and evaluated its operating principles, strategic priorities and measures of success. The Institute came out of the session reinvigorated with useful insights and perspective that will shape ALRI's path through a new era of law reform.

**Check [www.alri.ualberta.ca](http://www.alri.ualberta.ca) and subscribe to our mailing list for more details as we finalize our strategic plan.**



*ALRI looks to publish reports on: the Alberta Evidence Act and, Property Division for Cohabitants.*

*Project selection work is being performed on the Alberta Human Rights Act, and Personal Property Security Act*

## OUR PLAN FOR 2017-2018

ALRI finished the 2017 period with two final reports vital to bringing Alberta trustee law in step with modern legislation. The Institute will continue this momentum as we prepare our findings for the following projects:

- Property Division for Cohabitants. Preliminary consultation was thorough for this issue which potentially affects one in four couples in Alberta. Roundtable discussions and a province-wide telephone survey yielded results that will be summarized in ALRI's upcoming Report for Discussion on this topic. ALRI expects to publish its report in 2017.
- Competence and Communication in the *Alberta Evidence Act*. The Institute is preparing its final recommendations for legislation determining the competence of child witnesses, witnesses with cognitive impairment, and witnesses using alternative means of communication. The Final Report is expected to be published in 2017.

Work will also begin for our new project on Informal Public Appeals (ULCC) while continuing progress on Substitute Decision Making (ULCC) and Non-Profit Corporations.

On an operational level, ALRI will be running a number of initiatives this upcoming year. Several projects will review proposed legislation by the Uniform Law Conference of Canada including the Uniform International Commercial Arbitration Act.

Project selection work is also being performed on the following topics:

- *Personal Property Security Act*
- *Alberta Human Rights Act*

Decisions on whether these preliminary assessments will become official law reform projects will be forthcoming.

For more on our project selection process, visit:

[www.alri.ualberta.ca/index.php/about-alri/our-process/project-selection](http://www.alri.ualberta.ca/index.php/about-alri/our-process/project-selection).



## ALRI'S 50TH ANNIVERSARY

November 2017 marks the start of ALRI's 50th year of operation. The Institute will be commemorating this milestone with activities examining how independent law reform has been shaped in Canada and abroad. The event will be capped off by highlighting ALRI's vision for law reform over the next decade. Details and invitations will be released towards the end of 2017.





# FUNDING



# OUR FUNDERS

UNIVERSITY OF ALBERTA

\$60,000

ALBERTA JUSTICE &  
SOLICITOR GENERAL

\$215,000

RESERVE FUNDING

\$70,000

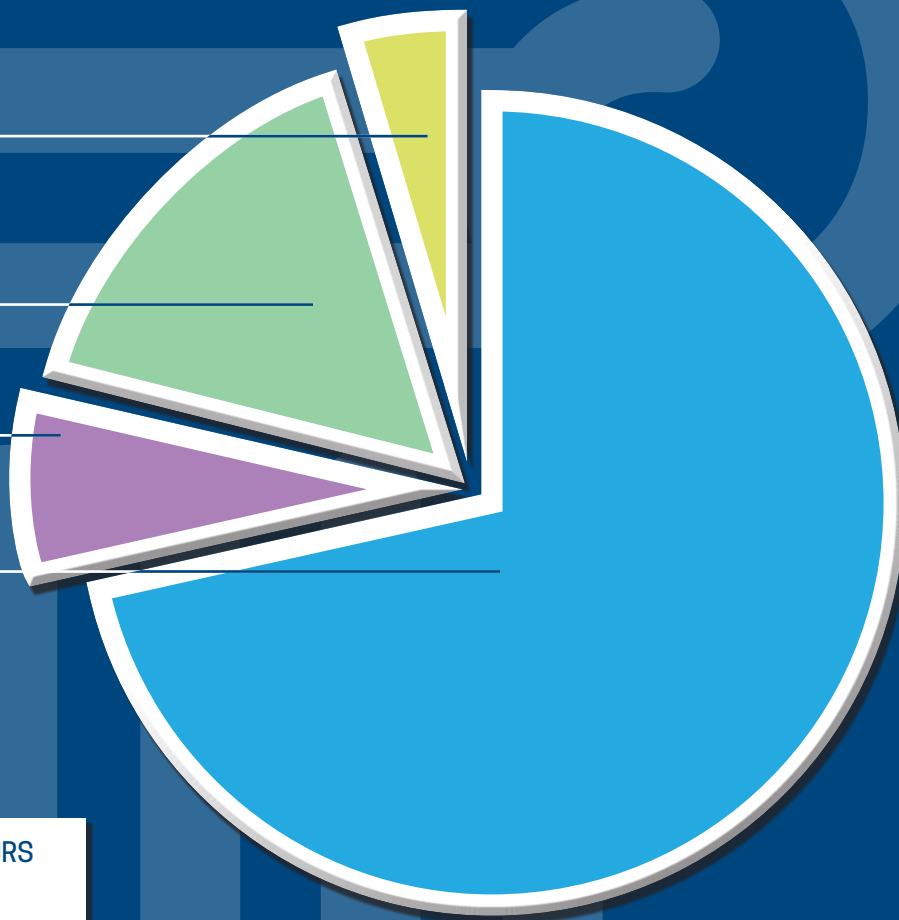
ALBERTA LAW FOUNDATION

\$994,500

TOTAL FUNDING

\$1,339,500

VALUE OF VOLUNTEERED HOURS  
\$205,000



In 2016-2017, Institute funding was committed from the following sources:

Alberta Law Foundation	\$994,500
Alberta Justice & Solicitor General	\$215,000
University of Alberta	\$60,000
Reserve Funding	\$70,000

Traditionally, the majority of ALRI's funding has come from the Alberta Law Foundation with another substantial portion coming from Alberta Justice & Solicitor General. Office space and services in kind are provided by the University of Alberta and University of Calgary.

*Lawyers and judges  
contributed over 650  
hours to ALRI Board  
and committee meetings*

ALRI also benefits immensely from the time and expertise volunteered by the profession. Lawyers and judges contributed over 650 hours to ALRI Board and committee meetings for an estimated value of over \$205,000. The Institute, however, has not been immune to the current economic climate. ALRI has had to do more with less as it responds to the funding shortfalls of the last few years. The Institute, nonetheless, will continue our work on legal issues affecting Albertans and remains confident that funding will return to stability as the economic outlook improves.

Further information on our funding, additional revenue, expenses and assets is set out in the financial statements.

# AUDITED FINANCIAL STATEMENTS



---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Alberta Law Reform Institute

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Alberta Law Reform Institute, which comprise the statement of financial position as at March 31, 2017 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.

### *Auditor's 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 entity'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 entity'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 Alberta Law Reform Institute as at March 31, 2017 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.

Edmonton, Alberta  
June 23, 2017

  
Chartered Accountants

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Financial Position**

**March 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 267,234	\$ 302,639
Restricted cash (Note 4)	<u>11,884</u>	<u>26,998</u>
	279,118	329,637
EQUIPMENT (Note 5)	7,409	11,784
INVESTMENTS HELD FOR SPECIAL RESERVE (ORDERLY WIND DOWN) FUND (Note 6)	<u>1,042,385</u>	<u>980,568</u>
	<u><b>\$ 1,328,912</b></u>	<u><b>\$ 1,321,989</b></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 14,111	\$ 39,409
Grant funding repayable	87,778	34,079
Deferred contributions (Note 4)	<u>11,884</u>	<u>26,998</u>
	<u>113,773</u>	<u>100,486</u>
<b>NET ASSETS</b>		
Invested in equipment	7,409	11,784
Internally restricted - Special Reserve (Orderly Wind Down) Fund (Note 7)	<u>1,042,385</u>	<u>980,568</u>
Internally restricted - Reserve Fund (Note 8)	<u>127,274</u>	<u>196,375</u>
Unrestricted	<u>38,071</u>	<u>32,776</u>
	<u>1,215,139</u>	<u>1,221,503</u>
	<u><b>\$ 1,328,912</b></u>	<u><b>\$ 1,321,989</b></u>

**ON BEHALF OF THE BOARD**

 Director

 Director

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Operations**

**Year Ended March 31, 2017**

	2017	2016
<b>REVENUE</b>		
Grants <i>(Note 9)</i>	\$ 1,188,891	\$ 1,324,844
Investment income (loss) <i>(Note 10)</i>	86,737	(11,358)
Other income	2,858	5,912
	<u>1,278,486</u>	<u>1,319,398</u>
<b>EXPENSES</b>		
Amortization	4,375	8,177
Audit	12,182	10,182
Board travel	2,569	11,864
Communication	523	850
Consultants and professional services	13,200	187,711
Equipment rental	2,679	2,576
Information technology support	14,500	17,819
Library	1,624	1,615
Meetings and seminars	3,989	4,044
Memberships, dues and subscriptions	17,168	17,190
Postage	1,802	1,145
Printing and copying	2,826	3,052
Professional development	8,275	4,182
Salaries and benefits	1,134,314	1,072,117
Strategic planning	26,879	-
Supplies and materials	16,232	20,833
Telephone and fax	6,637	7,573
Travel (staff)	8,021	19,076
	<u>1,277,795</u>	<u>1,390,006</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENSES</b>	<u>\$ 691</u>	<u>\$ (70,608)</u>

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2017**

	2016 Balance	Excess of revenue over (under) expenses	Interfund transfers (Note 11)	Transfer (to) from deferred contributions (Note 4)	2017 Balance
Invested in Equipment	\$ 11,784	\$ (4,375)	\$ -	\$ -	\$ 7,409
Internally restricted - special reserve (orderly wind down) fund	980,568	88,696	(26,879)	-	1,042,385
Internally restricted - reserve fund	196,375	899	(70,000)	-	127,274
Unrestricted	32,776	(84,529)	96,879	(7,055)	38,071
	<u>\$ 1,221,503</u>	<u>\$ 691</u>	<u>\$ -</u>	<u>\$ (7,055)</u>	<u>\$ 1,215,139</u>

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Cash Flows**

**Year Ended March 31, 2017**

	2017	2016
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over (under) expenses	\$ 691	\$ (70,608)
Items not affecting cash:		
Amortization	4,375	8,177
Unrealized loss on investments	-	35,267
	<u>5,066</u>	<u>(27,164)</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(25,298)	25,084
Grant funding repayable	53,699	(85,286)
Deferred contributions	(22,169)	11,077
	<u>6,232</u>	<u>(49,125)</u>
Cash flow from (used by) operating activities	<u>11,298</u>	<u>(76,289)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(1,423)
Proceeds from disposal of investments	741,368	-
Cash flow from (used by) investing activities	<u>741,368</u>	<u>(1,423)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	752,666	(77,712)
Cash - beginning of year	<u>568,837</u>	<u>646,549</u>
<b>CASH - END OF YEAR</b>	<u>\$ 1,321,503</u>	<u>\$ 568,837</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 267,234	\$ 302,639
Restricted cash	11,884	26,998
Cash held in special reserve (orderly wind down) fund	<u>1,042,385</u>	<u>239,200</u>
	<u>\$ 1,321,503</u>	<u>\$ 568,837</u>

## ALBERTA LAW REFORM INSTITUTE

### Notes to Financial Statements

Year Ended March 31, 2017

---

#### 1. PURPOSE OF ORGANIZATION

The Alberta Law Reform Institute (the "Institute") was established in 1968 by the Attorney General of Alberta, the Governors of the University of Alberta and the Law Society of Alberta.

The objectives of the Institute are:

- (a) the consideration of matters of law reform with a view to proposing to the appropriate authority the means by which laws of Alberta may be made more useful and effective; and
- (b) the preparation of proposals for law reform in Alberta, with respect to both the substantive law and the administration of justice.

As a not-for-profit organization, the Institute is not subject to taxation.

---

#### 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 (ASNFPO).

##### Financial instruments

###### Measurement

The Institute initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenses.

Financial assets measured at amortized cost include cash and restricted cash. Financial assets measured at fair value include investments held for special reserve (orderly wind down) fund. Financial liabilities measured at amortized cost include the accounts payable and accrued liabilities and grant funding repayable.

###### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

###### Transaction costs

The Institute recognizes its transaction costs in excess of revenue over expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

##### Cash

Cash includes cash held in trust for the Institute by the University of Alberta and cash held with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash (see note 4).

(continues)

---



ALBERTA LAW REFORM INSTITUTE

Notes to Financial Statements

Year Ended March 31, 2017

---

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

Equipment

Equipment is stated at cost less accumulated amortization and amortized over their estimated useful lives at the following rates and methods:

Computer	30%	declining balance method
Office furniture and equipment	20%	declining balance method

Collections

The Institute maintains a library of research material and publications. Collections are expensed on acquisition.

Revenue recognition

The Institute follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements.

---

# ALBERTA LAW REFORM INSTITUTE

## Notes to Financial Statements

Year Ended March 31, 2017

### 3. FINANCIAL INSTRUMENTS

The entity is exposed to various risks through its financial instruments. The following analysis provides information about the entity's risk exposure and concentration as at March 31, 2017.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Institute is exposed to this risk mainly in respect of its receipt of funds from its grant providers and from obligations associated with its accounts payable and accrued liabilities.

The Institute's investments in publicly-traded securities and corporate bonds exposes the Institute to price risks as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions of credit markets. The Institute does not use derivative financial instruments to alter the effects of this risk and mitigates this risk by ensuring no individual investment is significant to the overall financial position of the Institute.

### 4. RESTRICTED CASH AND DEFERRED CONTRIBUTIONS

	2017	2016
<b>Continuity of deferred contributions</b>		
Opening balance	\$ 26,998	\$ 9,740
Grant funding	-	15,000
Expenses	(22,169)	(3,923)
Transfers from unrestricted fund	7,055	7,840
Transfer of unused project funds to unrestricted net assets	-	(1,659)
	<b>\$ 11,884</b>	<b>\$ 26,998</b>
	2017	2016
<b>Deferred contributions are comprised of</b>		
Reserve and administrative projects	\$ 11,884	\$ 11,998
Trustee Act town hall consultations project	-	15,000
	<b>\$ 11,884</b>	<b>\$ 26,998</b>

**ALBERTA LAW REFORM INSTITUTE**

**Notes to Financial Statements**

**Year Ended March 31, 2017**

**5. EQUIPMENT**

	Cost	Accumulated amortization	2017 Net book value
Computer	\$ 152,066	\$ 146,606	\$ 5,460
Office furniture and equipment	38,247	36,298	1,949
	<u>\$ 190,313</u>	<u>\$ 182,904</u>	<u>\$ 7,409</u>
	Cost	Accumulated amortization	2016 Net book value
Computer	\$ 152,066	\$ 143,013	\$ 9,053
Office furniture and equipment	38,247	35,516	2,731
	<u>\$ 190,313</u>	<u>\$ 178,529</u>	<u>\$ 11,784</u>

**6. INVESTMENTS HELD FOR SPECIAL RESERVE (ORDERLY WIND DOWN) FUND**

	2017	2016
Cash	\$ 1,042,385	\$ 239,200
Investments	-	741,368
	<u>\$ 1,042,385</u>	<u>\$ 980,568</u>

**7. NET ASSETS - INTERNALLY RESTRICTED - SPECIAL RESERVE (ORDERLY WIND DOWN) FUND**

The special reserve (orderly wind down) fund receives revenue from sources other than operating grants or project grants. These funds are internally restricted to provide for an orderly wind down and to meet contractual obligations to staff should the need arise.

**8. NET ASSETS - INTERNALLY RESTRICTED - RESERVE FUND**

The Institute has set aside unrestricted surpluses from unexpended Alberta Justice grants as a contingency fund for future expenditures.

# ALBERTA LAW REFORM INSTITUTE

## Notes to Financial Statements

Year Ended March 31, 2017

### 9. GRANTS

	2017	2016
Alberta Law Foundation - current year grant	\$ 994,500	\$ 1,095,000
Alberta Law Foundation - refundable portion of current grant	(87,778)	(34,079)
Alberta Justice and Solicitor General	200,000	200,000
University of Alberta	60,000	60,000
Revenue from restricted contributions	22,169	3,923
	<u>\$ 1,188,891</u>	<u>\$ 1,324,844</u>

The Institute has beneficial relationships with the above noted organizations.

### 10. INVESTMENT INCOME

	2017	2016
Interest on internally restricted - reserve fund	\$ 899	\$ 946
Interest and realized capital gains on internally restricted - special reserve (orderly wind down) fund	85,838	22,963
Unrealized capital losses on internally restricted - special reserve (orderly wind down) fund	-	(35,267)
	<u>\$ 86,737</u>	<u>\$ (11,358)</u>

### 11. INTERFUND TRANSFERS

During the year, the Institute transferred \$70,000 from the internally restricted reserve fund for regular operating purposes. The Institute also transferred \$26,879 from the internally restricted special reserve (orderly wind down) fund to the unrestricted fund to cover costs related to strategic planning.

### 12. ECONOMIC DEPENDENCE

Alberta Law Reform Institute receives 79% (2016 - 80%) of its revenue from Alberta Law Foundation, 16% (2016 - 15%) from Alberta Justice and Solicitor General, and 5% (2016 - 4%) from the University of Alberta.



*Effective law reform  
depends on input from  
practitioners in the area  
of law under review.*

The work of law reform would not be possible without the ongoing financial support of our key funders:

**The Alberta Law Foundation**  
**Alberta Justice and Solicitor General**  
**The University of Alberta**

Conference facilities and support in kind is also provided by:

**The University of Alberta**  
**The University of Calgary**  
**Gowling WLG**  
**Norton Rose Fulbright Canada LLP**  
**The Court of Queen's Bench of Alberta**

Effective law reform depends on input from practitioners in the area of law under review. The contributions of the following organisations in keeping their members and stakeholders up-to-date on our work are much appreciated:

**Law Society of Alberta**  
**Canadian Bar Association, Alberta Branch**  
**Legal Education Society of Alberta**

We would also like to thank everyone who provided feedback on our projects through seminars and our website, as well as through correspondence.

Finally, we would like to thank the judges, authors and social media users who refer to our reports in the course of their work.







## CONTACT US

All of our reports are freely available electronically on our website. A limited number of hard copies are available on request.

We encourage you to contact us. The Your Views section on our website was designed to let you choose to be added to our electronic mailing list or provide comments on the current projects we are working on. You can also use this option to suggest an area for review that we are not currently addressing.

You can also follow us on Twitter at [@ablawreform](https://twitter.com/ablawreform) for the latest on our projects and developments in Alberta Law.

402 Law Centre  
University of Alberta  
Edmonton, AB T6G 2H5

Phone: 780-492-5291  
E-mail: [lawreform@ualberta.ca](mailto:lawreform@ualberta.ca)  
LinkedIn: [www.linkedin.com/company/ablawreform](http://www.linkedin.com/company/ablawreform)  
[@ablawreform](https://twitter.com/ablawreform)  
[www.alri.ualberta.ca](http://www.alri.ualberta.ca)