



# 2020-2021 ANNUAL REPORT





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***Our Vision***

*Just and Effective Laws*

***Our Mission***

*Improve the Laws of Alberta*

## From the Chair, Donald R Cranston QC

In my remarks last year, I noted that the COVID-19 pandemic would present challenges for the Alberta Law Reform Institute [ALRI]. I'm glad to report, however, that the Institute not only endured, but adapted well and continued its work with minimal disruption.

Board membership remained relatively stable over this term. Board member Lisa Weber accepted a new role with the Institute for the Advancement of Aboriginal Women. ALRI thanks Ms. Weber for her contributions to the Institute.

With the economic downturn putting pressure on Alberta's finances, the Institute was faced with a substantial funding shortfall. Fortunately, ALRI has a prudent strategy for managing its finances and planned for multiple funding scenarios. The significant drop in funding from the Government of Alberta required adjustments to ALRI's operations and output, but the Institute will be able to continue its work in the short to medium term while it makes efforts to restore funding. There are signs however, that things are looking up. Throughout 2020-2021, Institute leadership met multiple times with the Alberta Law Foundation and Alberta Justice. The meetings were positive and productive with much emphasis on the value that ALRI's work brings to improving the justice system in Alberta.

The Institute released three publications this year and work continues on reports for 2021-2022 as well as long-term project selection. There are many reasons to be optimistic and we are confident that we will come out of the most challenging time in ALRI's history while continuing to strive for our vision of just and effective laws in Alberta.

On behalf of the Board, I wish to express my continuing thanks to our Executive Director and her staff for their work this past year.



## From the Executive Director, Sandra Petersson

I would like to recognize the exceptional effort of both ALRI Board and Staff in navigating the challenges of the past year. As an organisation and work place, we were able to move fairly easily to working, meeting, and consulting remotely. We have missed the additional opportunities for interaction that being together in-person facilitates in so many ways. But we have explored new opportunities for expanding our consultation network with virtual tools.

I am particularly proud of the ALRI team and honoured to work with them. The challenges and uncertainties that Covid-19 have had beyond the workplace cannot be overstated. The ALRI team showed impressive resilience through both the turmoil of Covid and a range of non-covid issues that would have been trying in an "ordinary" year. I thank every team member for the support that they showed

to each other and to me. I would also like to acknowledge the bravery of those individuals who recognized that they could not thrive without adjusting to the burdens this year has brought. Respecting and fostering good mental health is essential to the ongoing work of law reform.





The Alberta Law Reform Institute [ALRI] was established in November 1967 by the Attorney General of Alberta, the Governors of the University of Alberta and the Law Society of Alberta. In 2018, the Alberta Law Reform Institute was incorporated as a non-profit. ALRI is 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.

The ALRI Board consists of members appointed by its founding partners:

- one elected Bencher 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

## OUR BOARD

The ALRI Board has consistently benefitted from highly regarded experts from the Alberta legal community. Their commitment to ALRI's work was evident in their continued presence at remote meetings throughout the year as health restrictions created numerous challenges to meeting in-person.

### BOARD MEMBERS

Donald R Cranston QC, *ALRI Chair, Barrister & Solicitor*  
Barbara Billingsley, *Dean of Law, University of Alberta*

Mona T Duckett QC, *Partner, Dawson, Duckett, Garcia & Johnson Barristers*

Alice Barnsley-Kamal, *Alberta Justice & Solicitor General*

Honourable Judge Dave Hancock, *Provincial Court of Alberta*

Jennifer Koshan, *Professor of Law, University of Calgary*

Deirdre M I McKenna, *Partner, Davidson & William LLP*

Donna Molzan QC, *Alberta Justice & Solicitor General*

Karen A Platten QC, *Partner, McLennan Ross LLP*  
Honourable Justice June Ross, *Court of Queen's Bench of Alberta*

Kathleen Ryan QC, *Partner, DLA Piper*

Lisa Weber, *Weber Law*

Roderick Wood, *Professor of Law, University of Alberta*

### STAFF

Sandra Petersson, *Executive Director*

Laura Buckingham, *Counsel*

Carol Burgess, *Finance & Operations Manager*

Barry Chung, *Communications Associate*

Jenny Koziar, *Executive Assistant*

Katherine MacKenzie, *Counsel*

Matthew Mazurek, *Counsel*

Jennifer Taylor, *Counsel*

Stella Varvis, *Counsel*

There were minimal changes to ALRI's Board this year. In September 2020, Board Member Lisa Weber resigned to take on a leadership role in the Institute for the Advancement of Aboriginal Women. ALRI will miss the benefit of her perspective but thanks her for her service and wishes her the best in her new role.

## OUR STAFF AND STUDENTS

There were no changes in counsel throughout 2019-2020, allowing for uninterrupted counsel focus on Institute projects. ALRI did hire two student researchers during this year. Serena Eshaghurshan from the University of Calgary and Briggs Larginho from the University of Alberta provided exceptional support for many of ALRI's law reform projects. Ms. Eshaghurshan goes on to article at Legal Aid Alberta and also writes about the law school experience for the Lawyer's Daily. Mr. Larginho goes on to article at Alberta Counsel. ALRI wishes them all the best as they take the next steps in their careers.

## OUR ALUMNI

Former Board member Honourable Madam Justice Ritu Khullar received the Women in Law Leadership Lifetime Achievement Award.

In January 2021, former Board member Doug Stollery QC received the Order of Canada.

Former ALRI student researcher Joanne Cave completed a successful and enriching clerkship at the Court of Appeal of Alberta and will begin a clerkship at the Supreme Court of Canada in September.


what

we

do







In March 2020, the University of Alberta officially directed its staff to work remotely from home in response to the COVID-19 pandemic. It was a massive transition for the entire campus community including ALRI's offices at the UofA and UofC Faculties of Law. ALRI's staff stepped up to the plate and transitioned smoothly to the work-from-home directive. For decades, ALRI staff and Board members have come from not just Calgary and Edmonton, but from all corners of the province. As such, ALRI already had procedures and resources in place for remote collaboration, making for a smooth transition to a remote work environment. ALRI team members were able to meet weekly to coordinate project work and easily start breakout sessions to brainstorm project options.

Remote work also didn't stand in the way of consultation efforts. On the contrary, with many practitioners and stakeholders now working remotely, participants were able to connect with ALRI on many occasions. During the past year, ALRI hosted 57 participants over several online roundtable meetings and interviews. Their feedback was invaluable to ALRI's work on the Dower Act and will be reflected in ALRI's upcoming Report for Discussion on the topic. ALRI also ran online consultation surveys on the Dower Act, access to digital assets, and potential reform to the *Wills and Succession Act*. In total, ALRI received over 1000 responses to these projects.

## OUR NEW WEBSITE

ALRI also launched its new website this year. All of ALRI's publications can still be found on the website in the dedicated publications page. It includes the benefit of filtered searching for ease of use and includes not just our reports, but supplementary documents and infographics.

## ALRI ON YOUTUBE

Rounding out our digital initiatives is ALRI's new Youtube channel. ALRI's Youtube channel will feature explainer style videos that highlight and breakdown ALRI's projects and initiatives. The channel can be accessed at [bit.ly/alriyoutube](https://bit.ly/alriyoutube).

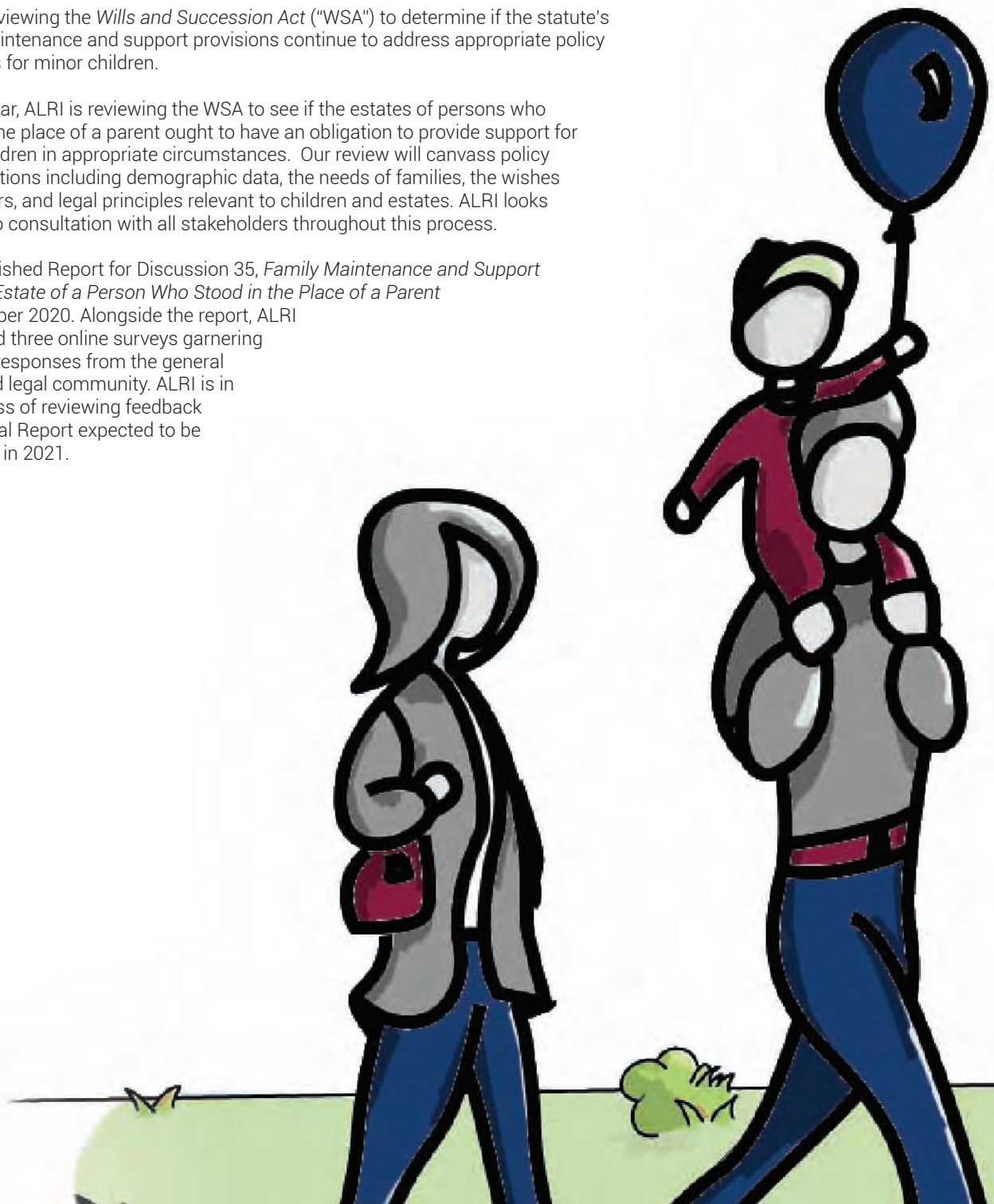
# FAMILY MAINTENANCE & SUPPORT FROM THE ESTATE OF A PERSON WHO STOOD IN THE PLACE OF A PARENT



ALRI is reviewing the *Wills and Succession Act* ("WSA") to determine if the statute's family maintenance and support provisions continue to address appropriate policy outcomes for minor children.

In particular, ALRI is reviewing the WSA to see if the estates of persons who stood in the place of a parent ought to have an obligation to provide support for minor children in appropriate circumstances. Our review will canvass policy considerations including demographic data, the needs of families, the wishes of testators, and legal principles relevant to children and estates. ALRI looks forward to consultation with all stakeholders throughout this process.

ALRI published Report for Discussion 35, *Family Maintenance and Support from the Estate of a Person Who Stood in the Place of a Parent* in November 2020. Alongside the report, ALRI conducted three online surveys garnering over 900 responses from the general public and legal community. ALRI is in the process of reviewing feedback with a Final Report expected to be published in 2021.



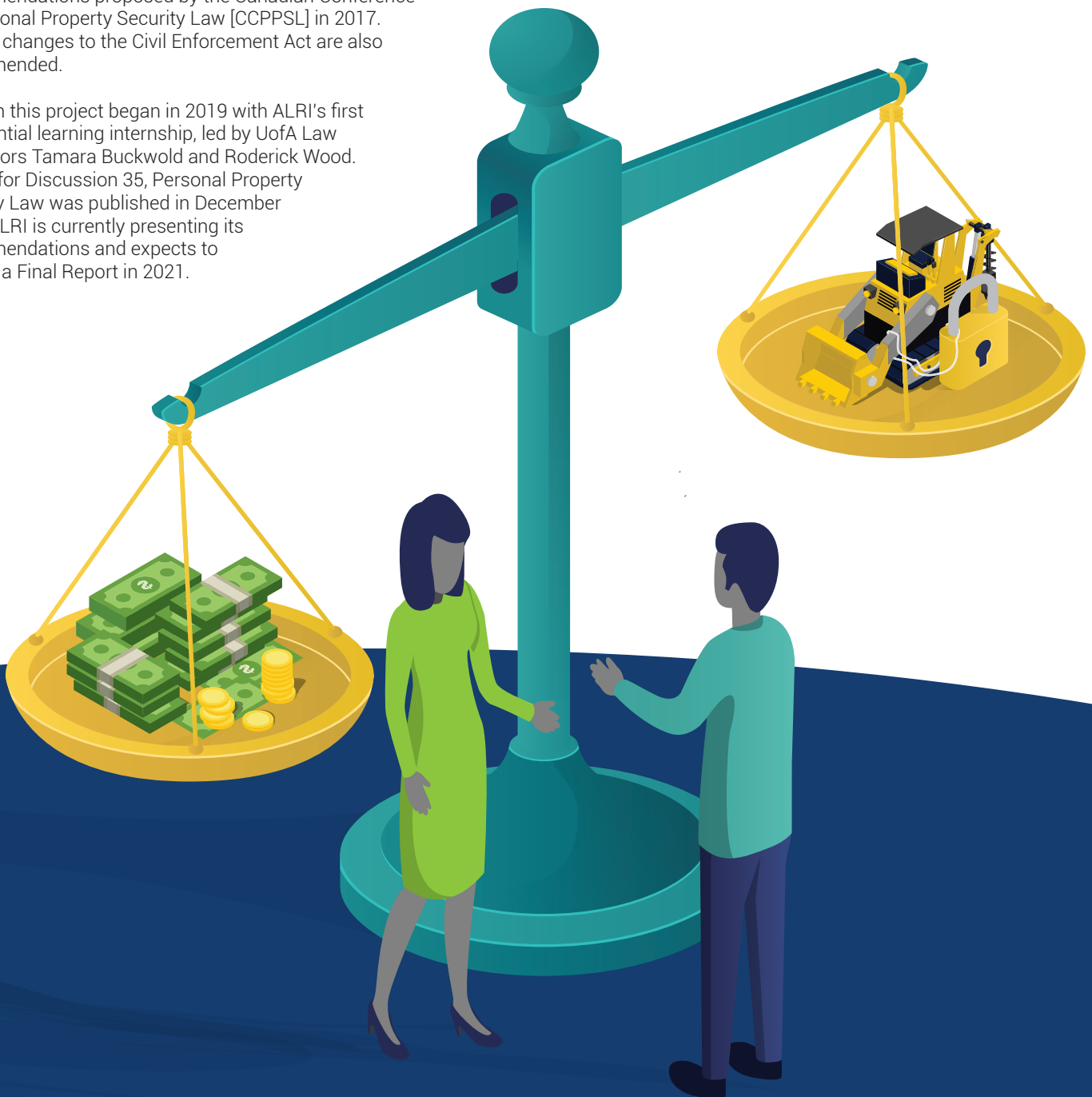
# PERSONAL PROPERTY SECURITY INTEREST ACT



The Alberta *Personal Property Security Act* [PPSA] governs personal property security transactions that arise when a debtor agrees to give a creditor an interest in the debtor's personal property ("the collateral") in order to secure payment or performance of an obligation. Alberta's PPSA has not been reviewed since it came into force in 1990 and should be updated to accommodate current commercial practices and to address technical and policy issues.

ALRI recommends that Alberta should implement the recommendations proposed by the Canadian Conference on Personal Property Security Law [CCPPSL] in 2017. Parallel changes to the Civil Enforcement Act are also recommended.

Work on this project began in 2019 with ALRI's first experiential learning internship, led by UofA Law Professors Tamara Buckwold and Roderick Wood. Report for Discussion 35, Personal Property Security Law was published in December 2020. ALRI is currently presenting its recommendations and expects to publish a Final Report in 2021.

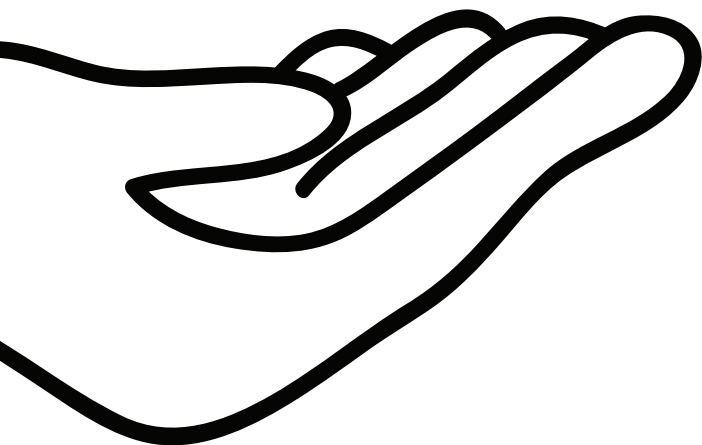


# DOWER ACT



The *Dower Act* in Alberta is a law that protects the property interests of a married person if the couple's home is legally owned solely by the other spouse. It applies to the "homestead", which means the house and some attached land where the owner spouse lived during the marriage. The *Dower Act* hasn't been updated significantly since 1948 and may not be serving Albertans best interests.

ALRI is currently in the consultation phase of the project and has hosted a presentation to the CBA SOGIC section, several roundtable discussions with practitioners, law professors and a presentation at the Canadian Association of Petroleum Landmen. ALRI also conducted 12 zoom and telephone interviews as part of its consultation. The Report for Discussion is expected to published in late 2021.







### Police Record Checks - Research Paper Published

ALRI conducted preliminary research to determine if it should undertake a police record check law reform project. As part of its research, ALRI compared Ontario's police record check legislation with the Alberta Association of Chiefs of Police [AACP] procedures. ALRI determined that the AACP procedures could be improved, but recognized that they are relatively new and that the AACP is open to revising them. ALRI decided not to proceed with a police record check law reform project for now and published its preliminary research findings in its Research Paper *Police Record Checks*.

### Digital Assets - In Screening Phase

Individuals are increasingly storing their important personal information and other digital property online within the servers of large American companies such as Google, Facebook, and Apple. These "digital assets" can be anything from precious family photos and records to sensitive financial and legal information. What Canadians don't realize is that outdated laws govern who can access those assets after the owner dies or loses capacity. Even with all the necessary documents proving a person's legal right to another's digital assets, accessing the information is still a long and expensive court process. ALRI is considering a law reform project that will recommend how the Government of Alberta can ensure certainty for individuals, who have a legal right to, can access the digital assets of another person.



### Electronic Wills – Suggested Topic

The COVID-19 pandemic created many difficulties for individuals needing to meet or attend appointments that required their physical presence. This was doubly pronounced for those urgently needing to change or plan their wills. Many of these individuals were from subsets of the population who were at most risk for severe health outcomes. ALRI is considering a law reform project that explores how wills and estate planning can be adjusted for a remote environment.



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PRINT AND  
DIGITAL MEDIA  
ENGAGEMENTS

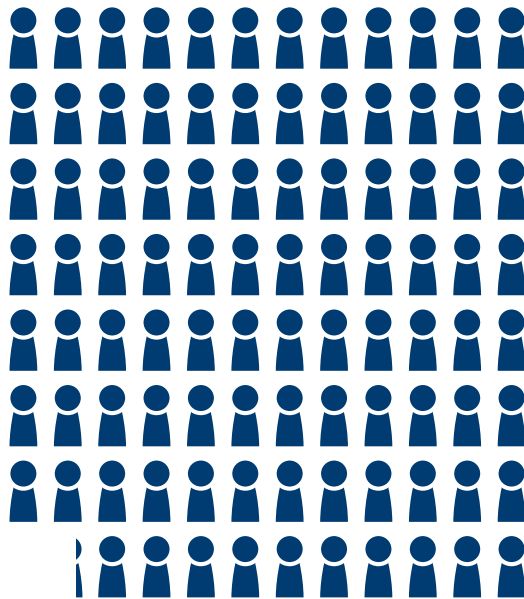


# engage



- PUBLICATIONS
- PROJECTS
- ABOUT
- ADVERSE POSSESSION, FINAL REPORT 115
- DOWER ACT PROJECT PAGE
- STANDING IN THE PLACE OF A PARENT PROJECT PAGE
- CONTACT
- ADVERSE POSSESSION, REPORT FOR DISCUSSION 33
- NEWS
- PERSONAL PROPERTY SECURITY ACT, REPORT FOR DISCUSSION 35

**922**  
 SURVEY RESPONSES  
 ⓘ = 10 RESPONSES



**6,754**  
 WEBSITE VISITS

**10,121**  
 CANLII VISITS

**1,168**  
 TWITTER FOLLOWERS

**252**  
 LINKEDIN FOLLOWERS

**1,394**  
 NEWSLETTER SUBSCRIBERS

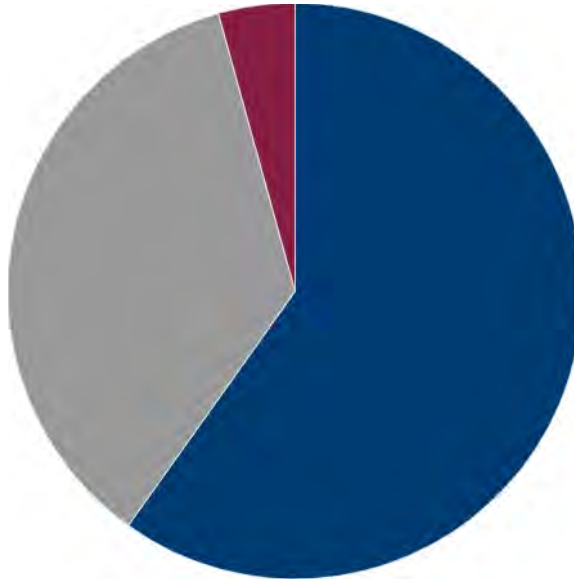
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# fund

12541	425	4	364	53	47
458	4	5832	47	25	35
475	74	65			
252	74	1425			
12	425	35698			
52	143	569382			
44	14	4758			
589264	43562	1328697	25		
41437	1344	47352	748		
52	78	45826			
252	557575	52896			
525	7248	52598			
25536	578896	785			
4187	4428687	48239			
125	424588625	448896			
257542	6,6424752	25563			
27	0,2	142896			
555	5	1452			
452	454	7785696			
252	4	55222			

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- ALBERTA LAW FOUNDATION
- ALBERTA JUSTICE & SOLICITOR GENERAL
- UNIVERSITY OF ALBERTA

In 2020-2021, Institute funding was committed from the following sources:

Alberta Law Foundation	\$835,000
Alberta Justice & Solicitor General	\$500,000
University of Alberta	\$60,000

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.

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

**ALBERTA LAW REFORM INSTITUTE**

**Financial Statements**

**Year Ended March 31, 2021**





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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alberta Law Reform Institute

### *Opinion*

We have audited the financial statements of Alberta Law Reform Institute (the Institute), which comprise the statement of financial position as at March 31, 2021, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2021, and its results of operations and its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Institute in accordance with the 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 opinion.

### *Other Information*

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

(continues)

Independent Auditor's Report to the Members of Alberta Law Reform Institute *(continued)*

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

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

*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 Institute'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 Institute'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 Institute 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.

Edmonton, Alberta  
July 7, 2021

*KBH*  
Chartered Professional Accountants

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Financial Position**

**March 31, 2021**

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 599,325	\$ 343,460
Restricted cash (Note 4)	91,121	6,889
	<u>690,446</u>	<u>350,349</u>
EQUIPMENT (Note 5)	11,897	11,571
INVESTMENTS (Note 6)	1,423,814	1,258,906
	<u>\$ 2,126,157</u>	<u>\$ 1,620,826</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 333,072	\$ 124,289
Grant funding repayable	57,452	53,847
Deferred contributions (Note 4)	91,121	6,889
	<u>481,645</u>	<u>185,025</u>
<b>NET ASSETS</b>		
Invested in Equipment	11,897	11,571
Restricted - Special Reserve (Orderly Wind Down) Fund (Note 7)	1,177,513	1,038,400
Reserve Fund (Board Discretion) (Note 8)	381,376	320,834
Unrestricted	73,726	64,996
	<u>1,644,512</u>	<u>1,435,801</u>
	<u>\$ 2,126,157</u>	<u>\$ 1,620,826</u>

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Operations**

**Year Ended March 31, 2021**

	2021	2020
<b>REVENUE</b>		
Grants <i>(Note 9)</i>	\$ 1,344,158	\$ 1,324,832
Investment income (loss) <i>(Note 10)</i>	174,572	(17,713)
Other income	533	422
	<u>1,519,263</u>	<u>1,307,541</u>
<b>EXPENSES</b>		
Amortization	4,421	4,112
Audit	13,000	15,235
Bank charges	264	56
Board	-	8,247
Communication	982	11,956
Consultant services	13,440	-
Equipment rental	2,839	2,839
Information technology support	6,314	9,352
Insurance	3,961	3,816
Investment management fees	9,207	-
Library	966	1,195
Memberships, dues and subscriptions	13,400	18,087
Postage	-	520
Printing and copying	1,431	3,633
Professional development	7,626	7,526
Salaries and benefits	1,211,358	1,158,608
Supplies and materials	8,803	12,257
Telephone and fax	6,660	7,374
Travel (staff)	38	12,109
	<u>1,304,710</u>	<u>1,276,922</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 214,553</u>	<u>\$ 30,619</u>

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2021**

	2020 Balance	Excess of revenue over (under) expenses	Interfund transfers	Transfer to deferred contributions (Note 4)	2021 Balance
Invested in equipment	\$ 11,571	\$ (4,421)	\$ 4,747	\$ -	\$ 11,897
Restricted - special reserve (orderly wind down) fund	1,038,400	139,113	-	-	1,177,513
Reserve fund (board discretion)	320,834	26,139	34,403	-	381,376
Unrestricted	64,996	53,722	(39,150)	(5,842)	73,726
	<b>\$ 1,435,801</b>	<b>\$ 214,553</b>	<b>\$ -</b>	<b>\$ (5,842)</b>	<b>\$ 1,644,512</b>



**ALBERTA LAW REFORM INSTITUTE**

**Statement of Cash Flows**

**Year Ended March 31, 2021**

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 214,553	\$ 30,619
Items not affecting cash:		
Amortization	4,421	4,112
Unrealized loss (gain) on investments	(103,348)	46,450
Realized loss on investments	979	-
	<u>116,605</u>	<u>81,181</u>
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	208,784	11,594
Grant funding repayable	3,605	(108,319)
Deferred contributions (Note 4)	78,390	(3,679)
	<u>290,779</u>	<u>(100,404)</u>
Cash flow from (used by) operating activities	<u>407,384</u>	<u>(19,223)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	(4,748)	(7,930)
Proceeds on disposal of guaranteed investment certificates	-	806,800
Purchase of investments	(684,239)	(1,305,355)
Proceeds on disposal of investments	621,700	-
	<u>(67,287)</u>	<u>(506,485)</u>
Cash flow used by investing activities	<u>(67,287)</u>	<u>(506,485)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>340,097</b>	<b>(525,708)</b>
Cash - beginning of year	<u>350,349</u>	<u>876,057</u>
<b>CASH - END OF YEAR</b>	<b>\$ 690,446</b>	<b>\$ 350,349</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 599,325	\$ 343,460
Restricted cash	91,121	6,889
	<u>\$ 690,446</u>	<u>\$ 350,349</u>

# ALBERTA LAW REFORM INSTITUTE

## Notes to Financial Statements

Year Ended March 31, 2021

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### 1. PURPOSE OF ORGANIZATION

The Alberta Law Reform 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.

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### 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).

#### 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. The COVID-19 pandemic has increased the challenges associated with this estimation process. Estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Estimates made by management include:

- The refundable portion of Alberta Law Foundation grant revenue.
- The assessment of the useful lives of capital assets. This assessment has an impact on the amortization and net book value of the assets recorded in the financial statements.

#### 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 liabilities measured at amortized cost include the accounts payable and accrued liabilities and grant funding repayable.

Financial assets measured at fair market value include pooled investment funds.

*(continues)*

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ALBERTA LAW REFORM INSTITUTE

Notes to Financial Statements

Year Ended March 31, 2021

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

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 with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash (see note 4).

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.

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ALBERTA LAW REFORM INSTITUTE

Notes to Financial Statements

Year Ended March 31, 2021

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3. FINANCIAL INSTRUMENTS

The Institute 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, 2021.

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.

Market risk

Market risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

The institute is exposed to market risk from its investment in pooled investment funds. The pooled investment funds are recorded at market value at March 31, 2021. These investments are subject to volatility in the financial markets. Risk and volatility of investment returns are mitigated through diversification of investments.

Currency risk

Currency risk is the risk to the Institute's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Institute is exposed to foreign currency exchange risk on investments held in U.S. dollars. The Institute does not use derivative instruments to reduce its exposure to foreign currency risk.

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4. RESTRICTED CASH AND DEFERRED CONTRIBUTIONS

	2021	2020
<b>Continuity of deferred contributions</b>		
Opening balance	\$ 6,889	\$ 3,950
Expenses	(6,610)	(3,679)
Transfers from unrestricted fund	5,842	6,618
Grant received for subsequent year	85,000	-
	<u>\$ 91,121</u>	<u>\$ 6,889</u>
<b>Deferred contributions are comprised of:</b>		
Funds restricted for staff professional education	\$ 6,121	\$ 6,889
2021-2022 Alberta Justice and Solicitor General Grant	85,000	-
	<u>\$ 91,121</u>	<u>\$ 6,889</u>

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**ALBERTA LAW REFORM INSTITUTE**

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**Year Ended March 31, 2021**

5. EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value
Computer	\$ 167,044	\$ 158,939	\$ 8,105
Office furniture and equipment	43,113	39,321	3,792
	<u>\$ 210,157</u>	<u>\$ 198,260</u>	<u>\$ 11,897</u>
	Cost	Accumulated amortization	2020 Net book value
Computer	\$ 162,296	\$ 155,465	\$ 6,831
Office furniture and equipment	43,113	38,373	4,740
	<u>\$ 205,409</u>	<u>\$ 193,838</u>	<u>\$ 11,571</u>

6. INVESTMENTS

	2021	2020
Pooled investment funds	<u>\$ 1,423,814</u>	<u>\$ 1,258,906</u>

Included in investments are amounts restricted for special reserve (orderly wind down) of \$1,177,746 (2020 - \$1,038,633).

7. NET ASSETS - 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 restricted to provide for an orderly wind down and to meet contractual obligations to staff should the need arise.

8. NET ASSETS - RESERVE FUND (BOARD DISCRETION)

The Institute has set aside unrestricted surpluses as a contingency fund for future expenditures.

9. GRANTS

	2021	2020
Alberta Law Foundation - current year grant	\$ 835,000	\$ 815,000
Alberta Law Foundation - refundable portion of current grant	(57,452)	(53,847)
Alberta Justice and Solicitor General	500,000	500,000
University of Alberta	60,000	60,000
Revenue from restricted contributions	6,610	3,679
	<u>\$ 1,344,158</u>	<u>\$ 1,324,832</u>

The Institute has beneficial relationships with the above noted organizations.

ALBERTA LAW REFORM INSTITUTE

Notes to Financial Statements

Year Ended March 31, 2021

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10. INVESTMENT INCOME (LOSS)

	<u>2021</u>	<u>2020</u>
Interest income - unrestricted fund	\$ 115	\$ 916
Interest income - reserve fund (board discretion)	11,566	6,514
Interest - restricted - special reserve (orderly wind down) fund	60,523	21,307
Unrealized capital gains (losses) in reserve fund (board discretion)	16,165	(3,998)
Unrealized capital gains (losses) in restricted - special reserve (orderly wind down) fund	87,182	(42,452)
Realized capital losses in reserve fund (board discretion)	(153)	-
Realized capital losses in restricted - special reserve (orderly wind down) fund	(825)	-
	<u>\$ 174,573</u>	<u>\$ (17,713)</u>

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11. RELATED PARTY TRANSACTIONS

The University of Alberta provides office facilities and services at a cost of \$1 to the Institute.

These transactions are 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.

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12. ECONOMIC DEPENDENCE

Alberta Law Reform Institute receives 60% (2020 - 59%) of its revenue from Alberta Law Foundation, 36% (2020 - 37%) from Alberta Justice and Solicitor General, and 4% (2020 - 4%) from the University of Alberta.

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13. COMPARATIVE FIGURES

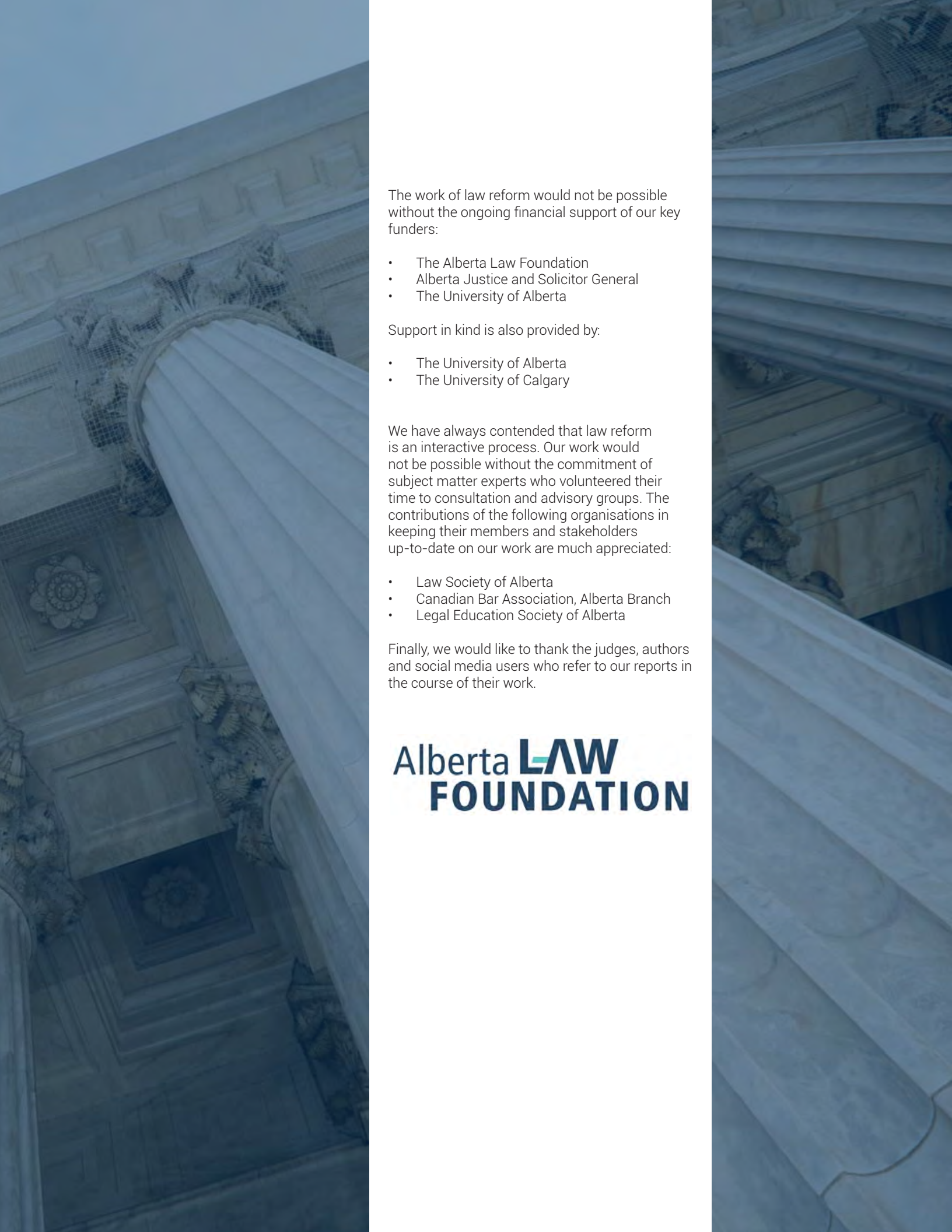
Some of the comparative figures have been reclassified to conform to the current year's presentation.

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**thank  
you**



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

Support in kind is also provided by:

- The University of Alberta
- The University of Calgary

We have always contended that law reform is an interactive process. Our work would not be possible without the commitment of subject matter experts who volunteered their time to consultation and advisory groups. 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

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

**Alberta LAW**  
**FOUNDATION**





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

780-492-5291  
[lawreform@ualberta.ca](mailto:lawreform@ualberta.ca)  
[www.alri.ualberta.ca](http://www.alri.ualberta.ca)

# contact us