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OLISANO EFFECTIVE LAWS
JUST AND EFFECTIVE LAWS

OUR MISSIMPROLE THE LAMS OF ALBERTA



# From the Chair, Donald R Cranston QC

I am pleased to report that the Alberta Law Reform Institute (ALRI) had a successful year notwithstanding funding challenges.

I would like to express my appreciation and thanks to all board members for their ongoing support and commitment to the work of ALRI. On behalf of the board, I also extend our heartfelt thanks to Ms. Petersson as our Executive Director and all of ALRI's staff for their excellent work.

ALRI said goodbye this past year to Ms Mona T Duckett, QC, as she finished her third term as a board member. Ms. Duckett served as vice-chair of the board and was a pillar for the board throughout her time. She will be missed. ALRI has also welcomed three new members to its board this year. Mr Cal Johnson, QC, Ms Carly Fox and Mr Matthew Woodley. We are already the beneficiary of their insights and hard work.

ALRI's leadership met several times with Alberta Justice officials, including the Minister, Deputy Minister and Assistant Deputy Minister. In addition to presenting law reform reports on important matters, we were fortunate to have the opportunity to discuss the value - to the government and all people living in Alberta - of ALRI's work as an independent law reform agency. It is not an accident that ALRI has developed an enviable reputation for excellent and credible law reform work for more than 50 years, and that continues today. Those discussions have led to a renewed funding commitment by the government for this year, and we are currently working on a multiyear commitment that will create much needed certainty to allow for the law reform work people living in Alberta need and deserve.

Last, this report would not be complete without a word of thanks to our other major funder, the Alberta Law Foundation (ALF). ALF has been a strong supporter of ALRI's work for many years. That support is essential to ALRI, and is very much appreciated.



# From the Executive Director, Sandra Petersson

After reflecting on this past year one word comes to mind, "certainty". It was something we all needed but was unfortunately in short supply. As an Institute, we faced multiple uncertainties ranging from economic to operational. Not surprisingly, ALRI's exceptional team of counsel, staff and Board members leaned on lessons learned the year prior and turned in a productive 2021 with four reports published and several consultations.

The value of certainty cannot be overstated, especially for people living in Alberta who have had to navigate their personal, financial and legal matters through these challenging times. For those individuals, an efficient and user-friendly legal system that keeps the "end-user" at the forefront is paramount — more so for those without access to legal expertise.

With this in mind, ensuring that laws can provide certainty for those facing difficult situations will be an underlying principle in our next period of law reform. ALRI's current projects include electronic wills, access to digital assets and the *Dower Act*, all of which most people will encounter at some point in their lives. ALRI looks forward to tackling these and other law reform projects that will have the most impact for people living in Alberta.

In January, I marked my 20th anniversary at ALRI. Throughout that time I have been privileged to work with our amazing and innovative support staff - three of whom have tenure that exceeds mine and one who's keeping pace. We have been through many challenges together both positive and less so. I also get to work with an innovative and thoughtful group of lawyers who are fully up to task of improving the laws of Alberta. Collectively you have succeeded in the task of transforming nearly every aspect of ALRI's work over the past few years. I am so proud of what you have all achieved.





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. 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 is composed of fourteen directors with six being nominated externally and eight additional directors-at-large from the legal community. The external parties who nominate directors are as follows:

- one elected Bencher nominee from the Law Society of Alberta
- two nominees from the Minister of Justice and Solicitor General
- the Provost of the University of Alberta or an academic staff member nominated by the Provost
- one nominee from the Faculty of Law at the University of Alberta
- one nominee from the Faculty of Law at the University of Calgary

# **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* (up to June 2021) Alice Barnsley-Kamal, *Alberta Justice & Solicitor General* 

Carly Fox, *Partner, Fox Fraser LLP* Honourable Judge Dave Hancock, *Provincial Court* of *Alberta* 

Cal Johnson QC, Counsel, Burnet Duckworth & Palmer, Law Society of Alberta

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

Deirdre M I McKenna, *Partner, Davidson & Williams* 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 Canada* Roderick Wood, *Professor of Law, University of Alberta* 

Matthew A Woodley, *Partner, Reynolds Mirth Richards & Farmer LLP* 

# **STAFF**

Laura Buckingham, Counsel
Carol Burgess, Finance & Operations Manager
Barry Chung, Communications Associate
Jenny Koziar, Executive Assistant
Katherine MacKenzie, Counsel
Matthew Mazurek, Counsel
Sandra Petersson, Executive Director
Jennifer Taylor, Counsel (up to June 2021)
Stella Varvis, Counsel



# **OUR BOARD**

The Alberta Law Reform Institute said goodbye to long term Board member, and vice-chair, Mona T Duckett QC after serving three terms. Ms. Duckett joined the ALRI Board in 2012 and made invaluable contributions to over 20 law reform projects as well as ALRI's operations and vision. The Institute wishes her all the best and thanks her for her many years of dedication to its mission of improving the laws of Alberta.

ALRI is honoured to announce that Carly Fox, Matthew Woodley, and Cal Johnson QC have joined its Board of Directors.

Carly Fox is a member of the Kainai Nation in southern Alberta. She is a partner at Fox Fraser LLP located in Redwood Meadows. Ms Fox represents First Nations governments and organizations in relation to specific claims, governance, negotiations, and litigation. She is a sought after speaker on many areas of Indigenous law and has provided her expertise on various federal and provincial legislation including The Safe Drinking Water for First Nations Act, the Indigenous Languages Act, the Impact Assessment Act, the Canadian Energy Regulator Act, An Act respecting First Nations, Inuit, and Métis Children, Youth, and Families.

Cal Johnson completed his Bachelor of Commerce degree in Calgary before moving to Edmonton to complete his Bachelor of Laws at the University of Alberta. He returned to Calgary and became a partner at Burnet, Duckworth & Palmer LLP and has been Counsel with the firm since 2013. Mr Johnson has served as a Bencher of the Law Society of Alberta since 2013, including time as Chair or Vice-Chair of its Governance Committee, Audit Committee, Policy and Regulatory Reform Committee, Equity, Diversity and Inclusion Committee and Executive Committee. Outside of his work as Bencher, he has chaired and served on the Board of Directors of Vertigo Theatre, and has served as a Director of the United Way, the Springbank Community Planning Association and the Doorway. He has also served the Canadian Bar Association in the past as Chair of the South Alberta Real Estate Subsection and the South Alberta Joint Legislative Review Committee.



Matthew A Woodley provides advice to a wide range of organizations including employers, print and broadcast media organizations, post-secondary institutions, municipalities and professional regulatory bodies. Mr Woodley focuses on human resource, free expression, constitutional, and administrative law. He has appeared at all levels of court in Alberta on matters ranging from the constitutional right to equality, to free expression in the media and on post-secondary campuses, open courts, and privacy law. He clerked with the Alberta Court of Appeal and Court of Queen's Bench before articling with Reynolds Mirth Richards & Farmer LLP where he is now a partner. He teaches Administrative Law at the University of Alberta Faculty of Law, and also taught Communications Law at MacEwan University for 10 years.

# **OUR STAFF AND STUDENTS**

ALRI Counsel Jennifer Taylor chose to pursue other opportunities in May of 2021. During her time with ALRI she published the research paper *Police Record Checks* and laid much of the groundwork for many of ALRI's current law reform projects such as Alberta's *Dower Act* review. ALRI thanks Ms. Taylor for her excellent work and will miss her presence at the Institute.

ALRI hired student researcher Cailey Severson in 2021. During her time with ALRI, she supported much of ALRI's research into ALRI's projects on the *Dower Act* and support from the estate of a person standing in the place of a parent. ALRI wishes her the best during her articling with Calgary Legal Aid.

# **OUR ALUMNI**

Former ALRI Board member the Honourable Anne Kirker, a Justice of the Court of Queen's Bench of Alberta in Calgary was appointed a Justice of Appeal of the Court of Appeal of Alberta.

Former ALRI Board member Nigel Bankes was welcomed as a new Fellow of the Royal Society of Canada.





ALRI continued mostly remote operations throughout this year with staff meeting virtually on a regular basis for collaborative project or operational work. The ALRI office was also staffed with a reduced crew during the week in keeping with social distancing and campus health and safety guidelines. When necessary, staff members did meet in-person for project work and followed all necessary health guidelines. Conducting project work in this manner did present some challenges, but ALRI staff were able to adapt and complete all targeted consultations and publications for the year.

Beginning in March 2022, ALRI transitioned back to a full complement of in-office staff and regular office hours. Going forward, ALRI will be using the lessons learned over the past two years to establish an optimal work model for the future.

ALRI continued to engage remotely with the community and stakeholders. ALRI presented multiple times to the Alberta branch of the Canadian Bar Association on the *Personal Property Act, Dower Act, Access* to Digital Assets, and Adverse Possession. Counsel also remained engaged with stakeholders through regular virtual meetings to discuss policy issues and options. ALRI consultations on our law reform projects generated over 1,200 responses from the general public, legal community, and stakeholders.

The Institute's YouTube channel continued to grow this year with a total of 14 videos in its library. While the channel is still in its infancy, it did garner over 1,300 views for a total of 29.8 hours of watch time.

Videos on law reform projects can be found at ALRI's YouTube channel at bit.ly/alriyoutube.

ALRI has also uploaded all of its recent supplemental project documents and summaries to the publications library on its website.

All of ALRI's reports and documents can be found at bit.ly/alrilibrary.

# PERSONAL PROPERTY SECURITY ACT



The Alberta Law Reform Institute recommended that Alberta's *Personal Property Security Act* should be revised. These changes are needed to:

- 1. Align Alberta law with changes made in other Canadian common law jurisdictions;
- 2. Enhance business efficiency by eliminating costly and unnecessary requirements;
- 3. Take into account advances in electronic banking and information technology;



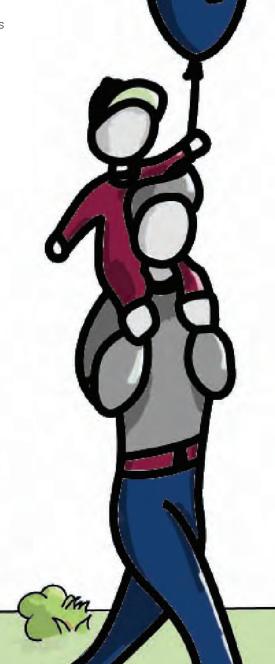
# FAMILY MAINTENANCE & SUPPORT FROM THE ESTATE OF A PERSON WHO STOOD IN THE PLACE OF A PARENT



ALRI has reviewed 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 reviewed 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 canvased policy considerations including demographic data, the needs of families, the wishes of testators, and legal principles relevant to children and estates.

After a thorough consultation in the previous reporting period, ALRI published Family Maintenance and Support from the Estate of a Person Who Stood in the Place of a Parent, Final Report 117 in January 2022.



# **DOWER ACT**

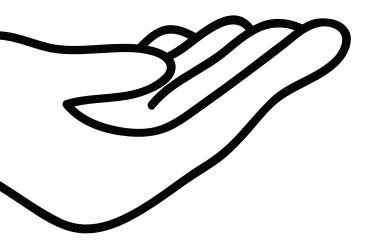


The *Dower Act* is a law that protects the property interests of a married person if the couple's home is legally owned solely by one spouse. It applies to the "homestead", which means the house and some attached land where the owner spouse lived during the marriage. The *Dower Act* hasn't been updated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

ALRI hosted three presentations to various sections of the Alberta branch of the CBA. ALRI Counsel also met with stakeholders such as the Alberta Real Estate Association to discuss reform of the *Dower Act*. Discussions were fruitful and helped to inform public consultations eventually leading to over 800 responses.

Dower Act: Consent to Disposition, Report for Discussion 36 and Dower Act: Life Estate, Report for Discussion 37 were published in November 2021. A final report is scheduled to be published in 2022.







# ACCESS TO DIGITAL ASSETS BY FIDUCIARIES



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 made Access to Digital Assets an official law reform project this year.

ALRI Counsel presented on the topic to the CBA and conducted an online consultation receiving over 400 responses. Policy options are being developed with a Final Report expected in 2022.



# **ELECTRONIC WILLS**



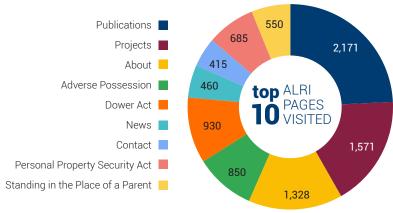
The COVID-19 pandemic created many difficulties for individuals needing to meet or attend appointments that required their physical presence. This was doubly pronounced for those urgently needing to change or plan their wills. Many of these individuals were from subsets of the population who were at most risk for severe health outcomes.

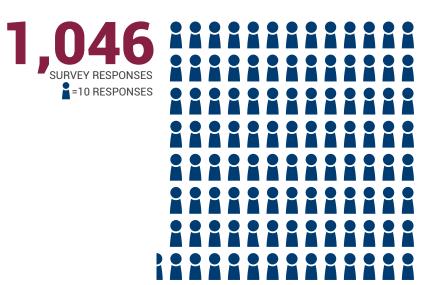
ALRI made Electronic Wills an official law reform project this year and is currently in the first stage of research.





# ENGAGEMENT 1300 VIEWS 29.8 HOURS WATCHTIME







# **APR**

### Presentation

Alberta Law Reform Institute's Personal Property Security Reform Project CBA Creditor Debtor North

# **2021-2022**Presentation

# Presentations, Citations and Media

# MAY

### Presentation

The Dower Act life estate in the homestead: How should it be reformed?

CBA Wills, Estates & Trusts North

### Presentation

Is the Dower Act Obsolete?
CBA Real Property North

# Presentation

Debt and the Dower Act
CBA Creditor Debtor North

# JUN

# Consultation

Family Maintenance and Support Roundtable with family and estate practitioners

### Presentation

Can the Dower Act be Fixed?
CBA Real Property Law Residential South

### Consultation

Family Maintenance and Support Roundtable with family and estate practitioners

# **AUG**

### Media

"Nine-tenths of the Problem": Abolishing Adverse Possession in Alberta

ABLawg.ca

### Media

Alberta legislation on dower rights has not kept up with social, legal realities: law institute The Lawyer's Daily

# SEP

# Citation

Un/Related:Discrimination in Posthumous Conception for LGBTQ+ Families in Canada Canadian Bar Review

# OCT

# Citation

Consequences of the Criminilazation of Trade Secret Theft in Canada University of British Columbia Law Review

# Media

Alberta court clarifies interplay between protective Dower Act and matrimonial property division The Lawyer's Daily

# Presentation

There's No Place Like Home: The Dower Act and the Family Home CBA Family Law North

# NOV

# Media

Canada Adverse Possession Laws: What You Must Know and How to Protect Your Property Freshrealty.ca

# Media

Why We Need a Canada Trade Secrets Act Slaw.ca

# Citation

Tenant Protections in Mobile Home Park Closures Columbia Law Review



# Presentation

Access to Digital Assets
CBA Wills North

# **JAN**

# Presentation

Adverse Possession: The Never Ending Story CBA Environmental, Energy & Resources Law North

# Presentation

Dower Act
U of A Faculty of Law, Property
Law Class

# Media

What does "equitable remedy" mean? Litigation help - Youtube

# Presentation

Dower Act Impact Mobilizers

# FEB

### Media

What's the Matter with the Dower Act? How Law Reform Can Help with Everyday Legal Problems ABLawg.ca

### Media

Case Brief - An unwitnessed will NoticeConnect Blog

# MAR

### Media

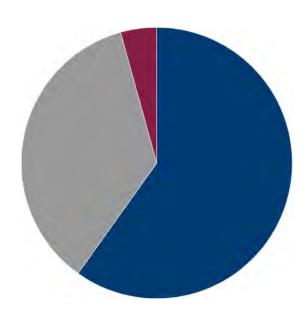
New legislation aims to make creation of management of trusts more efficient in Alberta Lethbridge News Now

### Modic

Alberta Law Reform Commission on Obligations to Step Children Mondaq.com







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

In 2021-2022, Institute funding was committed from the following sources:

Alberta Law Foundation \$835,000 Alberta Justice & Solicitor General \$185,000 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.

Financial Statements
Year Ended March 31, 2022



# INDEPENDENT AUDITOR'S REPORT

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, 2022, and the statements of revenues and expenditures, 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, 2022, 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.

# 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 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 related 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 June 28, 2022 **Chartered Professional Accountants** 

# Statement of Financial Position March 31, 2022

		2022	2021
ASSETS			
CURRENT			
Cash	\$	480,323	\$ 599,325
Restricted cash (Note 4)		8,635	91,121
Accounts receivable		4,186	-
		493,144	690,446
EQUIPMENT (Note 5)		10,719	11,897
INVESTMENTS (Note 6)		1,405,135	1,423,814
	\$	1,908,998	\$ 2,126,157
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities	\$	314,166	\$ 333,072
Grant funding repayable		60,416	57,452
Deferred contributions (Note 4)	-	8,635	91,121
	-	383,217	481,645
NET ASSETS			
Invested in equipment		10,719	11,897
Restricted - special reserve (orderly wind down) fund (Note 7)		*	1,177,513
Reserve fund (board discretion) (Note 8)		-	381,376
Restricted reserve fund (Note 9)		1,447,241	=
Unrestricted	_	67,821	73,726
		1,525,781	1,644,512
	\$	1,908,998	\$ 2,126,157

Director

Director

ON BEHALF OF THE BOARD

ad Jane

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# Statement of Revenues and Expenditures Year Ended March 31, 2022

		2022	2021
REVENUE			
Grants (Note 10)	\$	1,025,975	\$ 1,344,158
Investment income (loss) (Note 11)		(7,059)	174,572
Other income	_	536	533
	_	1,019,452	1,519,263
EXPENSES			
Amortization		4,052	4,421
Audit		13,125	13,000
Bank charges		473	264
Communication		1,734	982
Consultation		6,963	13,440
Equipment rental		2,840	2,839
Information technology support		6,489	6,314
Insurance		4,280	3,961
Investment management fees		11,105	9,207
Library		981	966
Memberships, dues and subscriptions		11,564	13,400
Printing and copying		1,752	1,431
Professional development		3,391	7,626
Salaries and benefits		1,049,765	1,211,358
Supplies and materials		6,587	8,803
Telephone and fax		6,360	6,660
Travel (staff)	,	817	38
		1,132,278	1,304,710
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$	(112,826)	\$ 214,553

# Statement of Changes in Net Assets Year Ended March 31, 2022

		2021 Balance	re	Excess efficiency) of venue over expenses	Interfund transfers		Transfer to deferred ontributions (Note 4)	2022 Balance
Invested in equipment Restricted - special reserve	\$	11,897	\$	(4,052)	\$ 2,874	\$	~	\$ 10,719
(orderly wind down) fund Reserve fund (board		1,177,513		-	(1,177,513)		~	-
discretion)		381,376		Б	(381,376)		-	-
Restricted reserve fund		я		(30,450)	1,477,691		-	1,447,241
Unrestricted	_	73,726		(78,324)	78,324	_	(5,905)	67,821
	\$	1,644,512	\$	(112,826)	\$ 4	\$	(5,905)	\$ 1,525,781

# **Statement of Cash Flows**

# Year Ended March 31, 2022

		2022	2021
OPERATING ACTIVITIES			
Excess (deficiency) of revenue over expenses  Items not affecting cash:	\$	(112,826)	\$ 214,553
Amortization		4,052	4,421
Unrealized loss (gain) on investments		113,094	(103,348)
Realized loss (gain) on investments	-	(14,710)	979
		(10,390)	116,605
Changes in non-cash working capital:			
Accounts receivable		(4,186)	-
Accounts payable and accrued liabilities		(18,907)	208,784
Grant funding repayable		2,964	3,605
Deferred contributions	_	(88,391)	78,390
		(108,520)	290,779
Cash flow from (used by) operating activities		(118,910)	407,384
INVESTING ACTIVITIES			
Purchase of equipment		(2,875)	(4,748)
Purchase of investments		(240,114)	(684,239)
Proceeds on disposal of investments		160,411	621,700
Cash flow used by investing activities		(82,578)	(67,287)
INCREASE (DECREASE) IN CASH FLOW		(201,488)	340,097
Cash - beginning of year	_	690,446	350,349
CASH - END OF YEAR	\$	488,958	\$ 690,446
CASH CONSISTS OF:			
Cash	\$	480,323	\$ 599,325
Restricted cash		8,635	91,121
	\$	488,958	\$ 690,446

# Notes to Financial Statements Year Ended March 31, 2022

# 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.

# 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

# Basis of accounting

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

# 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 assessment of 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, restricted cash, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and grant funding repayable.

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

(continues)

# Notes to Financial Statements Year Ended March 31, 2022

# 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 is amortized over its estimated useful life 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.

# Notes to Financial Statements Year Ended March 31, 2022

### FINANCIAL INSTRUMENTS

The Institute is exposed to various risks through its financial instruments. The following analysis provides information about the Institute's risk exposure and concentration as of March 31, 2022.

# 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, 2022. 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.

# 4. RESTRICTED CASH AND DEFERRED CONTRIBUTIONS

	 2022	2021
Continuity of deferred contributions  Opening balance  Expenses  Transfers from unrestricted fund	\$ 91,121 (3,391)	\$ 6,889 (6,610) 5,842
Deferred contributions recognized as revenue Grant received for subsequent year	5,905 (85,000)	85,000
	\$ 8,635	\$ 91,121
Deferred contributions are comprised of: Funds restricted for staff professional education 2021-2022 Alberta Justice and Solicitor General Grant	\$ 8,635	\$ 6,121 85,000
	\$ 8,635	\$ 91,121

# Notes to Financial Statements Year Ended March 31, 2022

# 5. EQUIPMENT

	 Cost		ccumulated nortization	2022 Net book value
Computer Office furniture and equipment	\$ 169,919 43,113	\$	162,233 40,080	\$ 7,686 3,033
	\$ 213,032	\$	202,313	\$ 10,719
		Α.	annoulated	2021

	 Cost	ccumulated nortization	2021 Net book value
Computer Office furniture and equipment	\$ 167,044 43,113	\$ 158,939 39,321	\$ 8,105 3,792
	\$ 210,157	\$ 198,260	\$ 11,897

# 6. INVESTMENTS

Pooled investment funds 2022 2021

\$ 1,405,135 \$ 1,423,814

In the prior year, included in investments were amounts restricted for special reserve (orderly wind down) of \$1,177,746. During the year, all investments were transferred to the restricted reserve fund.

# 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. During the year, the special reserve (orderly wind down) fund net assets were transferred to the restricted reserve fund. Refer to Note 9 for a description of the restricted reserve fund.

# 8. NET ASSETS - RESERVE FUND (BOARD DISCRETION)

The Institute has set aside unrestricted surpluses as a contingency fund for future expenditures. During the year, the reserve (board discretion) fund net assets were transferred to the restricted reserve fund. Refer to Note 9 for a description of the restricted reserve fund.

# NET ASSETS - RESTRICTED RESERVE

The restricted reserve fund receives revenue from unrestricted surpluses and sources other than operating grants or project grants. The primary purpose of these funds is to provide for an orderly wind down and to meet contractual obligations to staff, including severances, should the need arise. The Board has the discretion to approve the use of restricted reserve funds to wind down requirements to stabilize operations in the event of funding variations.

# Notes to Financial Statements Year Ended March 31, 2022

# 10. GRANTS

	 2022	2021
Alberta Law Foundation - current year grant	\$ 835,000	\$ 835,000
Alberta Law Foundation - refundable portion of current grant	(60,416)	(57,452)
Alberta Justice and Solicitor General	185,000	500,000
University of Alberta	60,000	60,000
Revenue from restricted contributions	3,391	6,610
Uniform Law Conference of Canada	 3,000	
	\$ 1,025,975	\$ 1,344,158

The Institute has beneficial relationships with the above noted organizations.

# 11. INVESTMENT INCOME (LOSS)

	2022			2021
Investment income - unrestricted fund	\$	₩.	\$	115
Investment income - restricted reserve fund		91,325		¥
Investment income - reserve fund (board discretion)		-		11,566
Investment income - restricted - special reserve (orderly wind				
down) fund		-		60,523
Unrealized capital losses in restricted reserve fund		(113,094)		¥
Unrealized capital gains in reserve fund (board discretion)		-		16,165
Unrealized capital gains in restricted - special reserve (orderly				
wind down) fund		-		87,182
Realized capital gains in restricted reserve fund		14,710		54
Realized capital losses in reserve fund (board discretion)		-		(153)
Realized capital losses in restricted - special reserve (orderly				
wind down) fund			_	(826)
	<u>s</u>	(7,059)	\$	174,572

# 12. RELATED PARTY TRANSACTIONS

The University of Alberta provided office facilities and services at a cost of \$1 to the Institute under an agreement that expired March 31, 2022. At the date of the financial statements, an extension of the previous agreement is under negotiation.

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.

# 13. ECONOMIC DEPENDENCE

The Institute receives 77% (2021 - 60%) of its revenue from Alberta Law Foundation, 17% (2021 - 36%) from Alberta Justice and Solicitor General, and 6% (2021 - 4%) from the University of Alberta.





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

- The Alberta Law Foundation
- Alberta Justice & 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 volunteer 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 **L-/W FOUNDATION**

