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**2022-2023**

# **ANNUAL REPORT**

**ALBERTA LAW REFORM INSTITUTE**

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The background of the image is white and filled with numerous speech bubbles of various shapes and sizes. The colors of these bubbles include shades of blue, grey, light blue, pink, and orange. Two of these bubbles are larger and contain text, while the others are empty.

**OUR VISION**  
JUST AND  
EFFECTIVE LAWS

**OUR MISSION**  
IMPROVE THE LAWS  
OF ALBERTA



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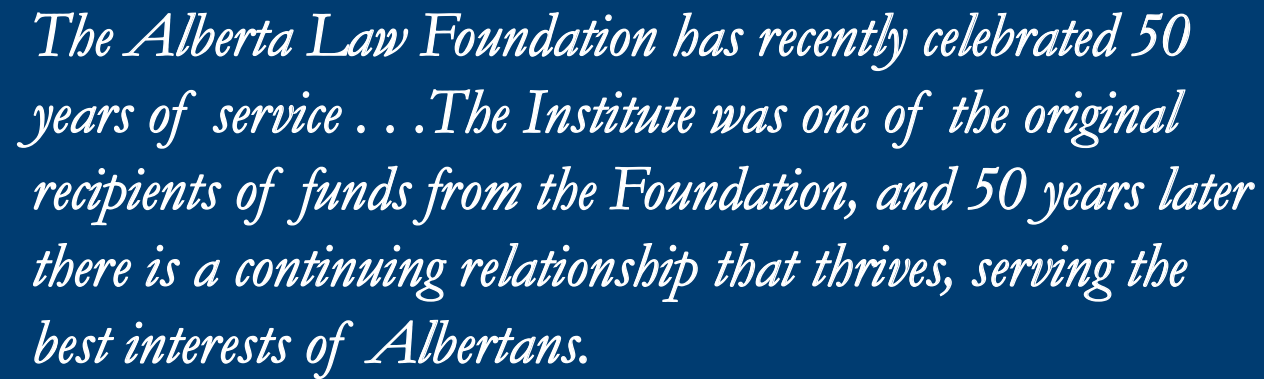
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*The Alberta Law Foundation has recently celebrated 50 years of service . . . The Institute was one of the original recipients of funds from the Foundation, and 50 years later there is a continuing relationship that thrives, serving the best interests of Albertans.*

***From The Chairman,  
Donald R. Cranston K.C.***




This is an appropriate occasion to offer thanks to many who have contributed to another successful year for the Institute. I would be remiss if I didn't start with our Executive Director, and our small but talented group of employees. They continue their excellent work enabling the Institute to maintain its distinguished reputation for high quality and thoughtful law reform reports.

I also extend my thanks to the members of the Board of directors. We meet monthly and there is often significant reading and analysis required in advance of the meetings. They give of themselves selflessly. They deserve our thanks for their ongoing commitment to law reform in Alberta. We have one Board member who has retired over this past year after a number of years of service - Professor Rod Wood. Professor Wood was a tremendous contributor, both in offering insightful commentary on developing projects, and co-authoring reports such as the recent report on the *Personal Property Security Act*. He will be missed.

The Alberta Law Foundation has recently celebrated 50 years of service. It funds many organizations concerned with pro bono legal services, Legal Aid Alberta, law libraries, public legal education, the administration of justice, and law reform. The Institute was one of the original recipients of funds from the Foundation, and 50 years later there is a continuing relationship that thrives, serving the best interests of Albertans.

Last, I would like to extend out appreciation to the Government of Alberta. After several years of uncertain funding, the Government this past year committed to 5 years of funding for the Institute, allowing us to plan on a stable financial foundation. The stability was needed, both for our projects and for our dedicated staff, and it is wonderful to have that now in place.



*My appreciation goes out to the ALRI Board and staff, the many volunteers and respondents who provide their feedback on our projects, as well as the Alberta Law Foundation and Alberta Justice for helping make our work possible.*

**From The Executive Director,  
Sandra Petersson, K.C.**



2022 was an evolutionary period for the Alberta Law Reform Institute. It was a welcome change from the challenges of the past two years. Thankfully, the Institute is blessed with a dedicated group of staff along with an engaged and supportive Board of Directors. ALRI put these resources to good use as it established a working model that allowed the Institute to resume full in-office operations with the benefits of remote work. We were also able to secure funding agreements with the Alberta Law Foundation and the Alberta Justice.

The Institute achieved several project milestones this year. ALRI completed much of the research and consultation for its projects on Electronic Wills and Access to Digital Assets by Fiduciaries. The integration of virtual consultations into ALRI's traditional in-person roundtables enabled ALRI counsel to gather substantial feedback on these legal issues from a greater number of participants. ALRI also published its Final Report on the Alberta Dower Act, a project that garnered significant interest from the public and legal profession. ALRI continued its run of successes on the implementation front with recommendations from its projects on the *Alberta Trustee Act*, *Adverse Possession*, and the *Personal Property Security Act* passed into legislation.

These projects highlight ALRI's ability and track record of producing comprehensive recommendations for improving the laws for people living in Alberta. With this in mind, ALRI used this year to evaluate how it could produce user-centered law reform and developed a framework for selecting high-impact law reform projects addressing legal problems people face on a daily basis. Development of this framework will continue into 2023.

With the start of a new high-impact project this year and stable funding agreements for the next several years, the team at ALRI is excited about the next period of law reform. My appreciation goes out to the ALRI Board and staff, the many volunteers and respondents who provide their feedback on our projects, as well as the Alberta Law Foundation and Alberta Justice for helping make our work possible.



**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. In 2019, ALRI was incorporated as a non-profit. ALRI is funded by the Alberta Law Foundation, Alberta Justice 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 up to sixteen directors with six being nominees of the founding parties. The nominees of the founding parties are chosen as follows:

- one elected Benchers nominee from the Law Society of Alberta
- two nominees from Alberta Justice
- 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

ALRI has up to ten directors at-large who are nominated by the Board.

## Our Board

The ALRI Board met nine times this year to discuss current and future project work. ALRI Board meetings were conducted virtually with some in-person attendance where possible. This model proved quite fruitful as ALRI found that over the course of the pandemic, virtual meetings were just as well attended and engaging as in-person meetings and allowed for ALRI to work seamlessly. Going forward, the ALRI Board will likely continue to meet virtually but with plans to conduct periodic in-person meetings to facilitate activities that would benefit from face-to-face discussions.

Board composition remained stable throughout this year with the exception of one member finishing his term. Professor Roderick Wood served his last meeting as an ALRI Board member in June 2022. On top of serving two full terms since 2017, he served on the ALRI Board from 1997-2001. He was also on the Law Commission of Canada and the Law Reform Commission of Saskatchewan. ALRI wishes him a fond farewell and thanks him for his contributions to ALRI and law reform across Canada.

Law Professor Cameron Hutchison was selected as the University of Alberta Faculty of Law representative. ALRI welcomes him and looks forward to having his expertise at the table.

ALRI also amended its bylaws to allow for up to two public directors who do not have law degrees. The Institute looks forward to recruiting its first public director in 2023.



*ALRI looks forward to recruiting its first public director in 2023.*

*ALRI continues to enjoy a stable complement of dedicated staff and counsel.*

### **Our Staff**

ALRI continues to enjoy a stable complement of dedicated staff and counsel. Sarah Ormandy joined ALRI as a student researcher in the summer of 2022 and provided research support for ALRI's project on Electronic Wills and the *Dower Act* and other ALRI initiatives.

ALRI congratulates Executive Director, Sandra Petersson, who was appointed King's Counsel in April 2022.

### **Alumni**

Former ALRI Board Member the Honourable Justice Ritu Khullar was sworn in as the new Chief Justice of Alberta and Chief Justice of the Courts of Appeal for the Northwest Territories and Nunavut. ALRI Director Sandra Petersson was present and had the privilege of speaking at the ceremony where she highlighted the many contributions Chief Justice Khullar made as a highly respected member of the legal community.

Former student researcher, Serena Eshaghurshan, was called to the Bar in August 2022. ALRI wishes her the best.




**WHAT  
WE DO**

ALRI is happy to report that full in-office operations have resumed. Having an engaged and dedicated group of staff and counsel has allowed ALRI to establish an optimal model for in-office and remote work.

As one of its overarching initiatives, the Institute is working to develop user-centered law reform by creating a model to assess the impact a law reform project has on people's daily lives. This initiative is informed by Statistics Canada's 2022 research and the Canadian Forum on Civil Justice's report *Everyday Legal Problems and the Cost of Justice in Canada*, as well as reports and data from other federal and provincial government departments and non-profit organisations. Work on this initiative continues into 2023 with a potential project addressing residential tenancies being evaluated for official project status.

At the project level, ALRI conducted both online and in-person consultations for its projects on Electronic Wills and Access to Digital Assets by Fiduciaries. Engagement in ALRI projects was furthered through presentations with the Canadian Bar Association Alberta Branch and the Society of Trusts and Estates Practitioners. Major milestones were achieved with the implementations of ALRI recommendations on the Alberta *Trustee Act*, *Adverse Possession*, and the *Personal Property Security Act*.



*...the Institute is working to develop user-centered law reform by creating a model to assess the impact a law reform project has on people's daily lives.*

# PROJECT WORK

*“This is one of the recommendations, that government proceed with the great work that was done by that committee but as well by the Alberta Law Reform Institute, that recommended in April 2020 that adverse possession be abolished”*

*-Minister of Justice  
Alberta Hansard, December 13, 2022*

## **Adverse Possession – Implemented**

In May 2020, ALRI published *Adverse Possession and Lasting Improvements to Wrong Land*, Final Report 115. The report reviewed whether adverse possession continued to serve a valid purpose in Alberta and generated substantial feedback from the general public and stakeholders. ALRI Counsel Stella Varvis conducted several presentations and was interviewed by several media outlets due to the high public interest in the project.

Bill 3, *Property Rights Statutes Amendment Act* had its third reading on December 13, 2022. Ms. Varvis's and ALRI's contributions to the new legislation were acknowledged throughout the readings of Bill 3 in the Legislature. On December 15, 2022, Alberta's *Property Rights Statutes Amendment Act* came into force. The Act included legislation based on some of ALRI's recommendations from *Adverse Possession and Lasting Improvements to Wrong Land*, Final Report 115.

## **Trustee Act - Implemented**

Trusts are used by many Albertans as a way to manage property and assets, both before and after death. Having modern and clear rules for setting up and handling trusts is important to allow Albertans to manage and distribute their property. The previous *Trustee Act* is outdated and has not kept pace with the modern world.

The Alberta Law Reform Institute published *A New Trustee Act for Alberta*, Final Report in 2017. The Report set out ALRI's law reform recommendations for new trustee legislation in Alberta.

Bill 12, *The Trustee Act* received royal assent on April 29, 2022 and came into force on February 1, 2023.

*"... This is quite a lengthy piece of legislation. It's quite complicated as well, so it is for that reason that I am very grateful for the detailed and very careful work of the Alberta Law Reform Institute... I want to pause for a moment here and reflect on the value of organizations like the Alberta Law Reform Institute. There is a reason why they are so well respected within the legal profession and why they merit public support as well."*

*-MLA for Lethbridge West,  
Alberta Hansard, April 22, 2022*



## ***Personal Property Security Act – Implemented***

The Alberta Law Reform Institute conducted a project on the *Personal Property Security Act* [PPSA] and recommended that the PPSA should be updated in its 2021 report *Personal Property Security Law*, Final Report 116. In May 2022, the Government of Alberta conducted its own public consultation. In the March 2023 sitting of the Alberta Legislative Assembly, the Alberta Government introduced Bill 9, *Red Tape Reduction Act* which included legislation based on some of ALRI's recommendations. Bill 9 received Royal Assent on March 28 outside of House sitting.

ALRI thanks Professor Emeritus Tamara Buckwold and Professor Roderick Wood for their work as well as the students who participated in the law reform experiential learning course that the U of A Faculty of Law held collaboratively with ALRI for this project.

*...the Alberta Government introduced Bill 9, Red Tape Reduction Act which included legislation based on some of ALRI's recommendations. Bill 9 received Royal Assent on March 28 outside of House sitting.*

## Dower Act – Final Report

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 just 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 serving Albertans best interests.

ALRI Counsel Laura Buckingham conducted extensive in-person and online consultations and presentations with stakeholders in the community, the legal profession and the general public. *Dower Act*, Final Report 118 was published in September 2022. ALRI also released "Improving Alberta's Dower Act" an executive summary of its recommendations and "Alberta Dower Act Consultation Summary" which was an overview of our consultation results. ALRI continues post-report work through ongoing follow-up conversations with stakeholders and government staff.

*ALRI continues post-report work through ongoing follow-up conversations with stakeholders and government staff.*



*Policy options are being developed with a Final Report expected in 2023.*

## **Digital Assets – Policy Options**


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.

This year, ALRI Counsel Stella Varvis presented on the topic to the Canadian Bar Association and consulted with its professional advisory committee. Policy options are being developed with a Final Report expected in 2023.

## Electronic Wills – Consultation

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.

Along with an online public survey, ALRI Counsel Katherine MacKenzie and Matthew Mazurek held extensive in-person and virtual consultation meetings with its professional advisory council and spoke about its project at several CBA meetings. Counsel also explored the topic of military wills and are in the process of drafting a Final Report for 2023 publication.



*ALRI Counsel held extensive in-person and virtual consultation meetings with its professional advisory council and spoke about its project at several CBA meetings.*

# 2022-2023 PRESENTATIONS/ CONSULTATIONS

## DECEMBER 2022

Electronic Wills  
Professional  
Advisory  
Committee  
Meeting

## JANUARY 2022

Electronic Wills  
Professional  
Advisory  
Committee  
Meeting

## OCTOBER 2022

Canadian Bar  
Association  
Family Law

What's New in  
Law Reform

## FEBRUARY 2022

Alberta Law  
Foundation  
Presentation

## APRIL 2022

Digital Assets  
Professional  
Advisory  
Committee  
Meeting

## OCTOBER 2022

Canadian Bar  
Association  
Wills and  
Estates South

Electronic Wills  
Presentation

## MARCH 2022

Electronic Wills  
Professional  
Advisory  
Committee  
Meeting

## MAY 2022

Society of  
Trust and  
Estate  
Practitioners  
Canada

Digital Assets  
Presentation

## SEPTEMBER 2022

Federation of  
Law Reform  
Agencies of  
Canada

Annual General  
Meeting

## JUNE 2022

Canadian Bar  
Association  
Elder Law  
North

Electronic  
Wills  
Presentation

## AUGUST 2022

Uniform Law  
Conference of  
Canada

Annual  
Meeting

*At the project level, ALRI conducted both online and in-person consultations for its projects on Electronic Wills and Access to Digital Assets by Fiduciaries. Engagement in ALRI projects was furthered through presentations with the Canadian Bar Association Alberta Branch and the Society of Trusts and Estates Practitioners.*

# 2022

# ALRI IN PR

## APRIL

- *Alberta introduces new Trustee Act to modernize existing legislation*
- Canadian Lawyer
- Angelica Dino
- *Access to Digital Assets by Fiduciaries*
- ABlawg.ca
- Stella Varvis

## AUGUST

- *Uniform Law Conference of Canada annual meeting tackles 'sextortion,' crowdfunding issues*
- The Lawyers' Daily
- Ian Burns

## OCTOBER

- *Alberta's Dower Act needs to be replaced, law institute says*
- The Lawyers' Daily
- Ian Burns

## DECEMBER

- *ABlawg Year in Review 2022*
- ABlawg.ca
- *Alberta moves to abolish adverse possession*
- The Lawyers' Daily
- Ian Burns
- *New bill would abolish 'squatter's rights' in Alberta*
- Edmonton Journal
- Anna Junke
- *Province says it's moving to protect property rights by upending 'archaic' law*
- Calgary Herald
- Bill Kaufmann
- *Possession is no longer 9/10 of the Law: Alberta Law Abolishes Squatter's Rights with the Passing of the Property Rights Statutes Amendment Act*
- Stikeman Elliott LLP Blog
- Gloria Moore, Catherine Gryga

**1,385  
SURVEY  
RESPONSES**

**14,296  
WEBSITE  
VISITS**

**1,475  
EMAIL  
SUBSCRIBERS**

**1,302  
TWITTER  
FOLLOWERS**

**391  
LINKEDIN  
FOLLOWERS**

**1,818  
YOUTUBE  
VIEWS**

## ONLINE ENGAGEMENT



# INT/MEDIA

## 2023

### DECEMBER cont'd

- *Alberta Government aims to end 'squatter's rights'*

- Lethbridge News NOW
- David Opink

- *Alberta Law Reform Institute project informs passing of Bill 3 in Alberta Legislature*

- Celebrating Research, U of A Faculty of Law
- Carmen Rojas

- *Alberta Law Reform Institute campaigning to replace Dower Act*

- Lethbridge Herald
- Delon Shurtz

- *Possession – No Longer Nine-Tenths of the Law in Alberta*

- McCarthy Tetrault Blog
- Andrew West

### JANUARY

- *Abolition of Adverse Possession or "Squatters Rights" in Alberta*

- Cassels Blog
- Jordanna Cytrynbaum, Derek R. Elliott, Viviana Heather

- *Canada: So Long to Adverse Possession in Alberta*

- Miller Thomson Blog
- Shetal Jas and Joshua Selby

### FEBRUARY

- *There's No Place Like Home: Why the Dower Act Remains Relevant*

- ABLawg
- Laura Buckingham

- *Alberta says good riddance to archaic squatter's rights*

- The Western Producer
- WP editorial

### MARCH

- *Government of Alberta Passes Amendments to Allow E-Chatel*

- Paper
- MonitorDaily

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**PRESENTATIONS/  
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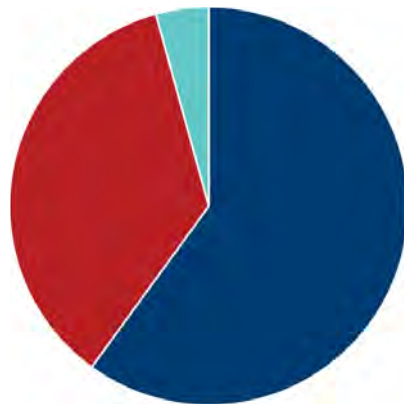
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**IMPLEMENTATIONS  
OF ALRI  
RECOMMENDATIONS**

# LEGAL ENGAGEMENT



**FUNDING**





- Alberta Law Foundation
- Alberta Justice
- University of Alberta

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

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In 2022-2023, Institute funding was committed from the following sources:

<b>Alberta Law Foundation</b>	<b>\$751,500</b>
<b>Alberta Justice</b>	<b>\$500,000</b>
<b>University of Alberta</b>	<b>\$60,000</b>

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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, 2023**



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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, 2023, 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, 2023, 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 29, 2023

*KBH*

Chartered Professional Accountants

## ALBERTA LAW REFORM INSTITUTE

## Statement of Financial Position

March 31, 2023

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 458,157	\$ 480,323
Restricted cash (Note 4)	60,344	8,635
Accounts receivable	-	4,186
Prepaid expenses	4,252	-
	<u>522,753</u>	<u>493,144</u>
EQUIPMENT (Note 5)	7,807	10,719
INVESTMENTS (Note 6)	1,411,622	1,405,135
	<u>\$ 1,942,182</u>	<u>\$ 1,908,998</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 326,866	\$ 314,166
Grant funding repayable	20,136	60,416
Deferred contributions (Note 4)	60,344	8,635
	<u>407,346</u>	<u>383,217</u>
<b>NET ASSETS</b>		
Invested in equipment	7,807	10,719
Restricted reserve fund (Note 7)	1,465,111	1,447,241
Unrestricted	61,918	67,821
	<u>1,534,836</u>	<u>1,525,781</u>
	<u>\$ 1,942,182</u>	<u>\$ 1,908,998</u>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**ALBERTA LAW REFORM INSTITUTE**  
**Statement of Revenues and Expenditures**  
**Year Ended March 31, 2023**

	2023	2022
<b>REVENUE</b>		
Grants (Note 8)	\$ 1,248,058	\$ 1,025,975
Investment income (loss) (Note 9)	19,153	(7,059)
Other income	245	536
	<u>1,267,456</u>	<u>1,019,452</u>
<b>EXPENSES</b>		
Amortization	2,912	4,052
Audit	14,900	13,125
Bank charges	331	473
Board expenses	677	-
Communication	1,415	1,734
Consultation	3,326	6,963
Equipment rental	2,839	2,840
Information technology support	-	6,489
Insurance	4,505	4,280
Investment management fees	10,135	11,105
Library	782	981
Meetings and seminars	1,466	-
Memberships, dues and subscriptions	13,273	11,564
Printing and copying	2,095	1,752
Professional development	6,519	3,391
Postage	435	-
Salaries and benefits	1,163,080	1,049,765
Supplies and materials	12,346	6,587
Telephone and fax	6,244	6,360
Travel (staff)	5,218	817
	<u>1,252,498</u>	<u>1,132,278</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ 14,958</u>	<u>\$ (12,826)</u>

**ALBERTA LAW REFORM INSTITUTE**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2023**

	2022 Balance	Excess (deficiency) of revenue over expenses	Interfund transfers	Transfer to deferred contributions (Note 4)	2023 Balance
Invested in equipment	\$ 10,719	\$ (2,912)	\$ -	\$ -	\$ 7,807
Restricted reserve fund	1,447,241	16,263	1,607	-	1,465,111
Unrestricted	67,821	1,607	(1,607)	(5,903)	61,918
	<u>\$ 1,525,781</u>	<u>\$ 14,958</u>	<u>\$ -</u>	<u>\$ (5,903)</u>	<u>\$ 1,534,836</u>

**ALBERTA LAW REFORM INSTITUTE**

**Statement of Cash Flows**

**Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 14,958	\$ (112,826)
Items not affecting cash:		
Amortization	2,912	4,052
Unrealized loss on investments	46,510	113,094
Realized gain on investments	(1,155)	(14,710)
	<u>63,225</u>	<u>(10,390)</u>
Changes in non-cash working capital:		
Accounts receivable	4,188	(4,186)
Prepaid expenses	(4,252)	-
Accounts payable and accrued liabilities	12,699	(18,907)
Grant funding repayable	(40,280)	2,964
Deferred contributions	45,805	(88,391)
	<u>18,160</u>	<u>(108,520)</u>
Cash flow from (used by) operating activities	<u>81,385</u>	<u>(118,910)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of equipment	-	(2,875)
Purchase of investments	(66,483)	(240,114)
Proceeds on disposal of investments	14,641	160,411
Cash flow used by investing activities	<u>(51,842)</u>	<u>(82,578)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	29,543	(201,488)
Cash - beginning of year	488,958	690,446
<b>CASH - END OF YEAR</b>	<u>\$ 518,501</u>	<u>\$ 488,958</u>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 458,157	\$ 480,323
Restricted cash	60,344	8,635
	<u>\$ 518,501</u>	<u>\$ 488,958</u>



ALBERTA LAW REFORM INSTITUTE

Notes to Financial Statements

Year Ended March 31, 2023

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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 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 and the deferred portion of grants from Alberta Justice and Solicitor General.
- 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.

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ALBERTA LAW REFORM INSTITUTE

Notes to Financial Statements

Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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

(continues)

ALBERTA LAW REFORM INSTITUTE

Notes to Financial Statements

Year Ended March 31, 2023

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

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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3. 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, 2023.

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, 2023. 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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**ALBERTA LAW REFORM INSTITUTE**  
**Notes to Financial Statements**  
**Year Ended March 31, 2023**

4. RESTRICTED CASH AND DEFERRED CONTRIBUTIONS

	2023	2022
<b>Continuity of deferred contributions</b>		
Opening balance	\$ 8,635	\$ 91,121
Expenses	(6,519)	(3,391)
Transfers from unrestricted fund for staff professional education	5,903	5,905
Deferred contributions recognized as revenue	-	(85,000)
Deferral of Alberta Justice and Solicitor General revenue	52,325	-
	<u>\$ 60,344</u>	<u>\$ 8,635</u>
 <b>Deferred contributions are comprised of:</b>		
Funds restricted for staff professional education	\$ 8,019	\$ 8,635
Deferred Alberta Justice and Solicitor General revenue	52,325	-
	<u>\$ 60,344</u>	<u>\$ 8,635</u>

5. EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value
Computer	\$ 169,919	\$ 164,539	\$ 5,380
Office furniture and equipment	43,113	40,686	2,427
	<u>\$ 213,032</u>	<u>\$ 205,225</u>	<u>\$ 7,807</u>
	Cost	Accumulated amortization	2022 Net book value
Computer	\$ 169,919	\$ 162,233	\$ 7,686
Office furniture and equipment	43,113	40,080	3,033
	<u>\$ 213,032</u>	<u>\$ 202,313</u>	<u>\$ 10,719</u>

6. INVESTMENTS

	2023	2022
Pooled investment funds	<u>\$ 1,411,622</u>	<u>\$ 1,405,135</u>
All investments are held in the restricted reserve fund.		

# ALBERTA LAW REFORM INSTITUTE

## Notes to Financial Statements

Year Ended March 31, 2023

### 7. NET ASSETS - RESTRICTED RESERVE FUND

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.

### 8. GRANTS

	2023	2022
Alberta Law Foundation - current year grant	\$ 751,500	\$ 835,000
Alberta Law Foundation - refundable portion of current grant	(20,136)	(60,416)
Alberta Justice and Solicitor General	500,000	185,000
Alberta Justice and Solicitor General - deferred portion of current grant	(52,325)	-
University of Alberta	60,000	60,000
Revenue from restricted contributions	6,519	3,391
Uniform Law Conference of Canada	2,500	3,000
	<u>\$ 1,248,058</u>	<u>\$ 1,025,975</u>

The Institute has beneficial relationships with the above noted organizations.

### 9. INVESTMENT INCOME (LOSS)

	2023	2022
Investment income	\$ 64,508	\$ 91,325
Unrealized loss on investments	(46,510)	(113,094)
Realized gain on investments	1,155	14,710
	<u>\$ 19,153</u>	<u>\$ (7,059)</u>

All investment income is earned by the restricted reserve fund.

### 10. 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.

### 11. ECONOMIC DEPENDENCE

The Institute receives 59% (2022 - 77%) of its revenue from Alberta Law Foundation, 36% (2022 - 17%) from Alberta Justice and Solicitor General, and 5% (2022 - 6%) from the University of Alberta.



# **OUR SUPPORTERS**

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

- The Alberta Law Foundation
- Alberta Justice
- 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**



# CONTACT US

All of our reports are freely available electronically on our website.

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 for the latest on our projects and developments in Alberta law.

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