



Alberta **LAW**  
**FOUNDATION**

*41st*  
**Annual Report**  
**2014**

Fiscal Year ended March 31, 2014

## Message from the Chair

We are often influenced by the “busyness” of our work. We have many tasks that we have to complete, many appointments that we have to attend, so many commitments that we have to make. My schedule would have been near impossible without the capable stewardship and guidance of our Executive Director, David Aucoin. He has served the Alberta Law Foundation well for these past eleven years. It has been my privilege to serve with him for the last four. The Board has been guided through an important strategic planning process with the help and insight of the leadership of the Alberta Law Foundation. It has been a watershed year.

“When has Justice ever been as simple as a rule book?” Justice is a complex beast that has a voracious appetite. Nevertheless, the Foundation’s new strategic plan envisions “Accessible Justice for all Albertans.” This vision is, of course, aspirational. It is an ideal that, if achieved, would make Alberta a world leader in the Justice Sector.

Our mission is to “lead and support efforts to build a better justice community in Alberta”. The big change in our thinking is that the Foundation should be more than just a grant making agency. It should be a leader in the justice sector. The Foundation has broad perspective, connections and tools acquired by working with its Grantees that position it to take a leadership role in shaping the future legal landscape in our Province.

To achieve the vision and mission of the Foundation, the Board is committed to the following values:

- Integrity, excellence and accountability;
- Priority for organizations assisting vulnerable populations;
- Collaboration, outcome based evaluation and accountability across the justice sector;
- Evidence based solutions providing the best value and impact;
- Responsiveness to well identified justice sector needs while recognizing the scope and responsibilities of the government and private sector; and
- Fiscal transparency and prudence.

These values will serve as a compass for the Foundation. They will define what is funded and the direction of the Foundation in years to come.

The Strategic Plan sets out four Organizational Ends:

- The law and the administration of justice reflect the current values of Albertans;
- Albertans are aware of and understand the law and their legal rights and obligations;
- Albertans can effectively exercise their rights under the law; and
- The Foundation will excel as an organization that identifies and addresses key justice sector issues and concerns.

The “Organizational Ends” clearly align with the objects of the Alberta Law Foundation as set out in the *Legal Profession Act*. They have been adopted as a statement of the ultimate goals for the Foundation to achieve.

The Strategic Plan sets out some lofty goals. Our new Executive Director has enormous challenges ahead. The Board is confident, however, that we are in capable hands and it looks forward to new challenges and rewards.

We are grateful for everything that our Executive Director has accomplished. We wish him well and thank him for his years of service. He has been an enormous help managing the “busyness” of the Foundation and its Board. We leave him with a raised hand, palm forward with the fingers parted between the middle and ring finger, with thumb extended.

Sincerely,



Anthony G. Young, Q.C.  
Chair, Alberta Law Foundation

## Message from the Executive Director

Having announced my pending departure from the Foundation after almost 11 ½ years, I want to take this opportunity to thank the many people who have shared their experience and wisdom with me over the years, including my staff and Board members. There is something useful to learn every day about the workings of the justice sector and how we might begin to make it better. The Foundation has had the benefit of solid and stable revenues in recent years, notwithstanding low interest rates, and that has enabled us to be the reliable source of funding that our grantees need. We continue to invite applications where organizations can show a good fit within our objects and a solid value proposition, and look forward to meeting needs in the community for many years to come. The Foundation recently completed a strategic planning effort that will provide guidance for evolutionary growth and will support the Foundation's continuing efforts to make justice more accessible for Albertans in need.

There is a website that tracks Star Trek references in court rulings, and in one case a New Jersey judge recently provided a useful characterization of the justice system that I personally believe has some parallel with the Foundation's role. In instructing his jury on how to deal with a

particularly emotional outburst by a witness, he made reference to the original Star Trek series, essentially suggesting that the Justice system aspires to be Vulcan, not human and not Klingon. The jury was expected not to be influenced by passion or to allow sympathy to enter their decision. Although the Foundation needs a reasonable amount of empathy to really understand the priority needs in the province, we also need to look for the appropriate evidence based logic to guide us in making the right decisions. That is, I hope we can continue to be more like Mr. Spock, rather than the highly emotional Doctor "Bones" McCoy or the original ruthless Klingons.

I do want to say a heartfelt thank you to all of you in the justice sector who keep up their best efforts day-in and day-out, often under trying circumstances, to ensure Albertans are better served by the justice system in all its many forms.

Keep up the good work, live long and prosper!



David Aucoin,  
Executive Director

## ALF Mission and Objectives

The Alberta Law Foundation is governed by an independent board of seven directors, three of whom are appointed by the Minister of Justice and Solicitor General, two by the Law Society of Alberta and two by the Board. The Foundation is the recipient of the interest which banks, credit unions, trust companies, and treasury branches pay on clients' funds held in Alberta lawyers' pooled trust accounts (which does not include interest paid on specific trust investments held for individual clients). The interest on lawyers' trust accounts ("IOLTA") together with other income of the Foundation is allocated by the Board to organizations engaged in activities which, in the Board's view, will advance the objects of the Foundation.

ALF's objects, as set out in the *Legal Profession Act*, are as follows:

- (i) conducting research into and recommending reform of law and the administration of justice;
- (ii) establishing, maintaining, and operating law libraries;
- (iii) contributing to the legal education and knowledge of the people of Alberta and providing programs and facilities for those purposes;
- (iv) providing assistance to native people's legal programs, student legal aid programs, and programs of like nature; and
- (v) contributing to the costs incurred by the Legal Aid Society of Alberta to administer a plan to provide legal aid. (The annual contribution has been set in the statute at 25% of IOLTA received by the Foundation in the previous year.)

## How ALF Accomplishes Its Objectives

ALF accomplishes its objectives primarily through the organizations it funds.

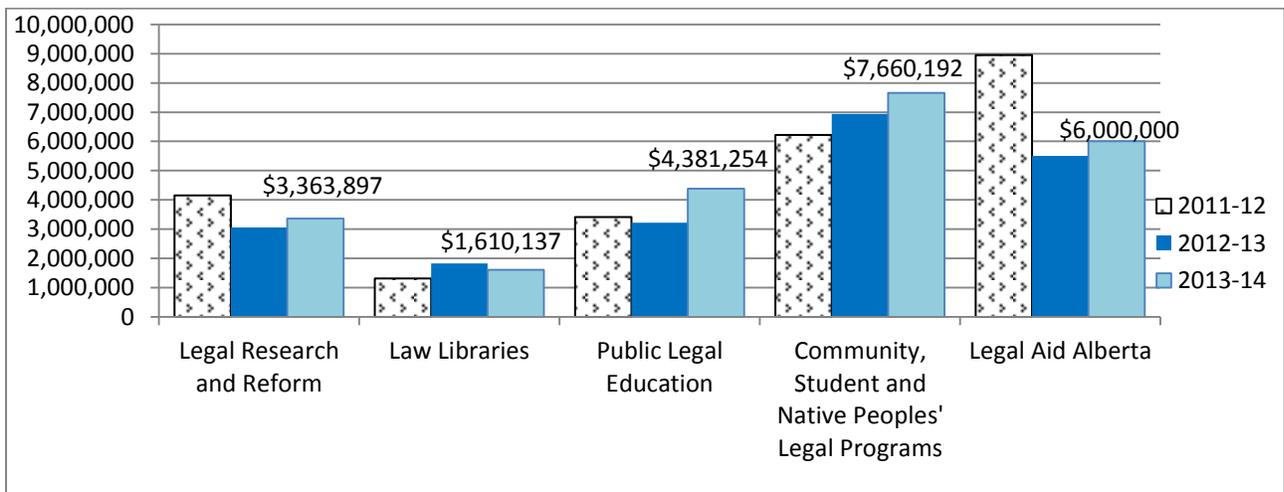
In 2013-14, the Board approved 72 of 74 grant applications reviewed, compared to 79 of 89 reviewed last year. Total grant allocations in 2013-14 were over \$17 million. Grants totalling \$14.8 million were approved for on-going programs and \$2.2 million for new projects.

Approximately \$7.8 million of grants (46%) was allocated for projects and programs falling under the Foundation's object iv, including community legal clinics, student legal aid, aboriginal legal programs, and court support.

The Foundation recognized in its 2013-14 fiscal year an allocation to Legal Aid Alberta of \$6 million to be paid in September 2014. This amount reflects supplementary funding of \$1,544,819 over and above the statutory amount equal to 25% of IOLTA.

Total allocations by the Foundation in 2013-14, including the contribution to Legal Aid Alberta, were \$23,015,480, compared to \$20,538,145 in 2012-13. The following graph illustrates the allocation of funding among the Foundation's various objects in 2013-14, in comparison to allocations in the two prior years:

**Foundation Funding Allocation 2013-14 with 2-year Comparison**



The 2011-12 funding allocation to Legal Aid is shown in the graph at almost \$9 million. This reflects two years worth of supplementary funding included in the Foundation's fiscal year 2011-12.

## Grants Awarded 2013-14

### Legal Research and Law Reform

#### **Alberta Civil Liberties Research Centre**

Conducts research and delivers educational sessions about human rights and civil liberties issues to schools and community organizations \$677,573

#### **Alberta Law Reform Institute**

Conducts and coordinates research into the law and the administration of justice and develops proposals for reforms \$1,025,000

#### **Canadian Bar Association, Alberta**

Legislative Review Officer coordinates the work of a committee of lawyers to review all bills prior to first reading and summarize bills passing through the Legislature and the publication of a summary after each session \$20,000

#### **Canadian Institute of Resources Law**

Conducts research into legal issues relating to energy and resources in Alberta \$234,912

#### **Canadian Research Institute for Law and the Family**

Conducts research and publishes reports and proposals for reform relating to the impact of the law, including criminal and family laws, and the administration of justice on youth and families \$646,333

Staff Recruitment project \$35,269

#### **Centre for Constitutional Studies**

Conducts research and analysis of the law and the constitutional processes, including recent court cases in Canada, and publishes information about them in plain language for the public \$363,085

#### **Environmental Law Centre**

Conducts research about the law in Alberta relating to resource development and the environment and publishes proposals for reform; provides information to the public about Alberta's environmental law and regulatory processes \$361,725

### Law Libraries

#### **Joint Library Committee**

Maintenance of the library collections at the Alberta Law Libraries \$1,610,137

### Public Legal Education

#### **Alberta Legal Information Society**

Development of a provincial interactive web site to serve as a central access point to legal information in Alberta that will assist Albertans in addressing their legal issues, using guided pathways \$1,021,600

#### **Alberta Seventh Step Society**

Trained speakers who have previously been in conflict with the law make presentations in high schools and junior high schools about the criminal justice system from the viewpoint of the ex-offender \$221,500

#### **Alberta Workers' Health Centre**

Work Plays Program – dramatic presentations to school audiences about employment and workplace health and safety laws \$250,000

#### **Calgary Catholic Immigration Society**

PLE workshops on legal topics including immigration, family and criminal law, to clients of CCIS and to service providers \$28,000

<b>Calgary Chinese Community Service Association</b> Law & Advocacy project	\$58,385
<b>Calgary Workers' Resource Centre</b> Employment rights, obligations and benefits education program delivering workshops about employment standards, employment insurance, workers compensation and other work-related laws and benefit programs	\$78,810
Enhanced vulnerable workers support project – caseworkers assist individuals on a one-to-one basis to understand and exercise their rights under work-related legal regimes	\$156,340
<b>Canadian Bar Association, Alberta</b> Law Day 2013 – partial funding for public legal education events held across the province	\$42,000
<b>Chinook Learning Services, Calgary</b> Workshops delivered to the public in Calgary on various legal topics by volunteer lawyers	\$40,000
<b>Edmonton Public Schools, Metro Continuing Education</b> Workshops delivered to the public in Edmonton on various legal topics by volunteer lawyers	\$39,119
<b>Elk Island Public Schools, Next Step Continuing Education</b> Workshops delivered to the public in Sherwood Park and area on various legal topics	\$16,481
<b>Grande Prairie Council for Lifelong Learning</b> Workshops delivered to the public in Grande Prairie and area on various legal topics by volunteer lawyers	\$26,150
<b>John Howard Society of Alberta</b> Support to the Criminal Justice Education program delivered by the various district agencies Web-based criminal justice education project Printing of the Youth Criminal Justice Act Handbook for the criminal justice education programs	\$22,050 \$65,108 \$18,706
<b>Calgary John Howard Society</b> Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$230,243
<b>Edmonton John Howard Society</b> Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$192,313
<b>Lethbridge John Howard Society</b> Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$158,717
<b>Medicine Hat John Howard Society</b> Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$79,271
<b>John Howard Society of Red Deer</b> Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$96,369
<b>John Howard Society of Grande Prairie</b> Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$194,197
<b>Legal Education Society of Alberta</b> Alberta Court of Appeal publication	\$38,000
<b>Legal Resource Centre of Alberta Ltd. (Centre for Public Legal Education Alberta)</b> Print and web-based public legal education and information; legal referrals and presentations to the public; and training for intermediaries about the law affecting their clientele	\$612,000

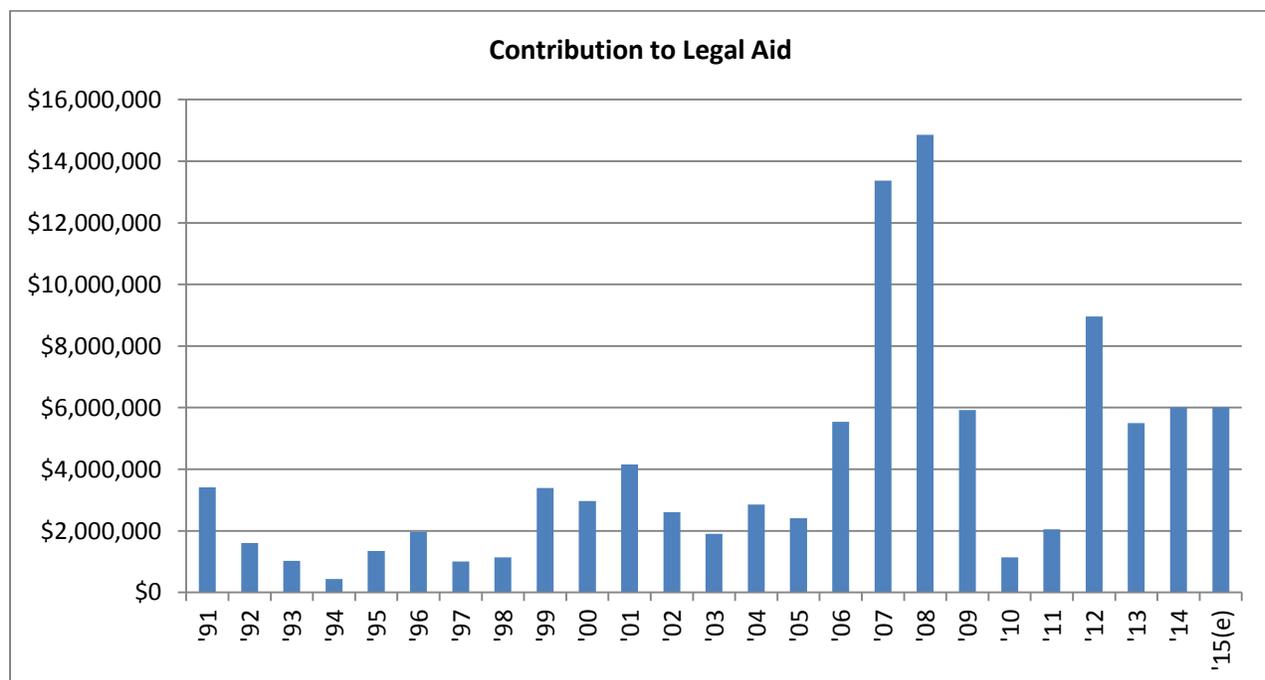
<b>Lethbridge College</b>	
Workshops delivered to the public on various legal topics by volunteer lawyers in-person in Lethbridge and by teleconference to other communities in Alberta	\$67,618
<b>Medicine Hat College</b>	
Workshops delivered to the public in Medicine Hat on various legal topics by volunteer lawyers	\$38,500
<b>Mount Royal University Foundation</b>	
Scholarships for students pursuing the Honours BA in Criminal Justice at Mount Royal University	\$5,000
<b>Portage College</b>	
Workshops on various legal topics delivered to the public in Lac La Biche, St. Paul and surrounding communities in Northeastern Alberta	\$101,520
<b>Red Deer Public School, Community Programs</b>	
Workshops on various legal topics delivered to the public in Red Deer	\$13,587
<b>University of Alberta, Faculty of Law</b>	
Undergraduate Bursaries and Awards	\$286,000
<b>University of Calgary, Faculty of Law, Environmental Law Society</b>	
Speaker Series on environmental law topics	\$1,570
<b>University of Calgary, Faculty of Law</b>	
Undergraduate Bursaries	\$160,000
<b>University of Calgary, Faculty of Law, Voices in Law</b>	
Speakers Series	\$22,100
<b>Community, Student and Native Peoples' Legal Programs</b>	
<b>Blackfalds and District Victim Support Society</b>	
Court Support Liaison project	\$32,000
<b>Calgary Legal Guidance</b>	
Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral; outreach services in specific areas of law or to specific groups of individuals	\$2,010,000
Client Relationship Management System project	\$34,759
Aboriginal Articling Student Position	\$24,765
<b>Calgary Women's Emergency Shelter Association</b>	
Provision of legal information, assistance, court support and referral to victims of domestic violence	\$141,116
<b>Central Alberta Legal Clinic Foundation</b>	
Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral services in Red Deer and surrounding communities	\$397,990
<b>Central Alberta Women's Outreach Society</b>	
Provision of legal information, assistance, court support and referral in Red Deer and surrounding communities	\$151,402
<b>Children's Legal &amp; Educational Resource Centre</b>	
Staff Support project	\$284,247
Articling Student project	\$61,349
<b>Crowsnest Pass Women's Resource and Crisis Centre</b>	
Legal information, support and referral services	\$14,750

<b>Edmonton Community Legal Centre</b>	
Volunteer lawyer clinical services; follow-up advice and representation, public legal education, information and referral services	\$1,322,059
Grande Prairie Legal Guidance (volunteer lawyer clinical services, information and referral)	\$53,192
Family Law Public Legal Education project	\$82,888
Client Relationship Management System project	\$21,500
<b>Elizabeth Fry Society of Calgary</b>	
Calgary Adult and Youth Court program – information, guidance, referral and support to persons in Provincial and Youth Court in Calgary; Community Awareness Program for Immigrants – information sessions about areas of law relevant to newcomers to Canada	\$265,942
Satellite Court Expansion Project to Airdrie, Okotoks, Canmore, Didsbury, Cochrane	\$71,904
<b>Elizabeth Fry Society of Edmonton</b>	
Edmonton Adult Court Program – information, guidance, referral and support to persons in Edmonton Provincial Court; Edmonton Youth Court Program – Information, guidance, referral and support to persons in Edmonton Youth and Family Courts; Volunteer lawyer clinic at the Edmonton Institution for Women; Satellite Court Program in St Albert, Stony Plain and Morinville; Satellite Court Program in Fort Saskatchewan and Sherwood Park	\$320,814
Satellite Court Project in Wetaskiwin, Camrose and Ponoka	\$75,056
Satellite Court Project in Red Deer	\$41,275
<b>Lethbridge Legal Guidance</b>	
Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral	\$354,650
<b>Native Counselling Services of Alberta</b>	
BearPaw Media Productions – production of videos about various legal topics	\$378,471
BearPaw Legal Education and Resource Centre – research, development and production and delivery of legal information through print based and online materials and workshops	\$399,857
<b>Pro Bono Law Alberta</b>	
Partial funding of operating costs to assist in the coordination and delivery of pro bono legal services in Alberta	\$215,250
<b>Student Legal Assistance, University of Calgary</b>	
Provision of legal information and assistance to the community by law students	\$383,003
Summer Research Student project	\$17,595
<b>Student Legal Services of Edmonton, University of Alberta</b>	
Provision of legal information and assistance to the community by law students, including Pro Bono Students Canada at the University of Alberta	\$402,826
<b>University of Alberta, Faculty of Law, Aboriginal Law Students Association</b>	
Speaker series	\$5,265
<b>University of Calgary, Faculty of Law, Pro Bono Students Canada</b>	
Funding for student coordination of volunteer programs involving students conducting legal research and providing legal information to the community	\$29,971
<b>University of Saskatchewan, Native Law Centre</b>	
Partial funding of the legal research and education program	\$20,000
<b>Women’s Centre of Calgary</b>	
Funding of Coordinator for on-site volunteer lawyer clinical services	\$36,939
Legal Advice Clinic Renovation project	\$9,357

## Legal Aid Alberta

In 1991, the Legal Profession Act was amended to expand the Foundation's objects to specifically provide for a contribution to the costs of Legal Aid Alberta to administer the legal aid plan. The statutory annual contribution is 25% of the amount received by ALF from interest on lawyers' pooled trust accounts, but ALF was given the authority to make payments to Legal Aid Alberta in addition to the required statutory amount.

In September 2011, the ALF Board agreed to make additional payments to LAA for the next three years such that the annual payment from ALF was at least \$5.5 million. A subsequent agreement was reached in March 2013 to extend this commitment to make payments to LAA of at least \$6 million for two more years. The allocation to Legal Aid Alberta in the Foundation's 2013-14 fiscal year recognizes the first year of this extended commitment. After the second year of the extended agreement, ALF will have made cumulative contributions to Legal Aid Alberta of more than \$100 million between 1991 and 2015.



## 2013-14 Financial Results

IOLTA Revenue in 2013-14 amounted to \$17.8 million, significantly higher than forecast last year (\$13.9 million). The increase of \$3.9 million was largely due to higher than expected average balances held in lawyers' pooled trust accounts. Although IOLTA revenue was greater than forecast, the Foundation's annual combined IOLTA revenue and investment income has not been sufficient to meet the level of funding allocations, resulting in a 2013-14 operating loss of \$638,354.

In 2007, following record annual IOLTA revenues, the Foundation implemented a policy to set aside funds in the Grant Stabilization Fund (GSF) sufficient to meet three years of operating grants allocated in the current year. Given the volatile nature of revenue dependent on interest rates, this reserve policy was considered prudent to ensure that the Foundation could continue to support ongoing programs even in times of low interest rates. An additional fund, the Strategic Reserve Fund (SRF), was also set aside from which extraordinary allocations could be made which were deemed by the Board to further the Foundation's strategic objectives. Since the two reserves were created, the Foundation has been

able to maintain, and in some cases increase, grant levels for ongoing programs as well as support new projects, notwithstanding the dramatic reduction in annual IOLTA revenue after 2007-08. As annual operating grant allocations have increased, the Grant Stabilization Reserve has similarly been increased to ensure continued support of programs. The top-up to the GSF in 2013-14 has resulted in a corresponding reduction in the SRF of \$3.36 million.

The SRF was also drawn down in 2013-14 by \$1.02 million to fund a one-year project for the Alberta Legal Information Society (ALIS) to develop a one-stop web portal to assist Albertans in understanding the nature of their legal issues. This portal, initiated by the joint efforts of the Alberta Law Libraries, supported by Alberta Justice, and the Centre for Public Legal Education, is a priority for the Foundation and has the ability to assist Albertans seeking legal information and resources to support the resolution of legal matters.

Detailed financial information for fiscal 2013-14 is provided on the following pages.

## Fiscal Outlook for 2014-15

Given the continuing instability of economic factors influencing interest rates, at the present time we do not expect an increase in the bank rate before late 2015. On that basis, our forecast for IOLTA revenue is \$18.5 million for the Foundation's fiscal year ending March 31, 2015.

Under the Foundation's strategic vision and as we become better informed about priority needs in the community, it is anticipated that annual grant allocations will be at least as much and likely more

than the \$17 million allocated in 2013-14. Therefore, it is expected that the IOLTA revenue and investment income for 2014-15 may be insufficient to cover allocated grants as well as the \$6 million allocation to Legal Aid Alberta, and therefore the SRF could be drawn down even further in 2014-15.

## Strategic Initiatives

Under the new Strategic Plan the Directors see the opportunity for the Foundation to take a leadership role in achieving accessible justice for all Albertans.

Particular initiatives that the Foundation will engage in for the coming year include:

- supporting the Alberta Legal Information Society's development of a one-stop web portal with guided pathways to assist Albertans in understanding the nature of their legal issues and what steps can be taken to resolve those issues, as well as the resources available to assist them in that process;
- developing solutions to address the growing need for legal assistance in family matters; and
- working with Foundation grant recipients (particularly the community legal clinics) to build capacity in program design, delivery and evaluation to better understand the effectiveness of their work and opportunities for improved outcomes.

## Board of Directors

The Directors of the Foundation represent diverse backgrounds, professions, age groups and geographic areas, providing valuable perspectives from which to guide the work of the Foundation. The current Directors are:

- Anthony G. Young, Q.C., Chair (Calgary)
- Murray W. Stooke, Q.C. (Calgary)
- Barry R. Gardiner, FCA (Edmonton)
- Brian A. LeMessurier, M.Ed. (Athabasca)
- Verlyne Christensen, M.Sc. (Calgary)
- Stephanie L. Dobson, J.D. (Lloydminster)
- Thomas G. Rothwell, B.A., LL.B., (Edmonton)

# ALBERTA LAW FOUNDATION

## Statement of Financial Position

March 31, 2014, with comparative information for 2013

	2014	2013
<b>Assets</b>		
Current assets:		
Cash	\$ 208,428	\$ 193,930
Investments	2,023,612	78,074,919
Funds held in trust	20,731	30,438
Rent security deposit	6,417	6,417
Undisbursable trust balances receivable	–	92,261
Accrued interest – investments, bank accounts	1,757	158,033
Interest receivable:		
Lawyers' pooled trust accounts	1,651,190	1,534,615
	<u>3,912,135</u>	<u>80,090,613</u>
Investments	94,345,161	17,065,271
	<u>\$ 98,257,296</u>	<u>\$ 97,155,884</u>
<b>Liabilities and Net Assets</b>		
Current liabilities:		
Funds held in trust	\$ 20,731	\$ 30,438
Deferred revenue	864,097	1,226,343
Accounts payable and accrued liabilities	79,649	22,000
Grants payable	14,567,120	13,013,050
	<u>15,531,597</u>	<u>14,291,831</u>
Payable to Legal Aid Alberta	6,000,000	5,500,000
	<u>21,531,597</u>	<u>19,791,831</u>
Net assets:		
Grant stabilization fund	43,929,702	40,565,790
Strategic reserve fund	28,159,741	34,090,072
Unrestricted	4,636,256	2,708,191
	<u>76,725,699</u>	<u>77,364,053</u>
Commitments		
	<u>\$ 98,257,296</u>	<u>\$ 97,155,884</u>

A complete copy of the audited financial statements, including the notes and the auditor's report, is available on the ALF web site: [www.albertalawfoundation.org](http://www.albertalawfoundation.org).

# ALBERTA LAW FOUNDATION

## Statement of Operations

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Revenue:		
Interest earned on lawyers' pooled trust accounts	\$ 17,820,724	\$ 14,969,047
Income earned from investments	7,035,167	1,552,605
Income recognized from deferred revenue	375,000	–
Undisbursable trust balances from Law Society of Alberta	183,644	92,261
Miscellaneous	–	75,000
	<u>25,414,535</u>	<u>16,688,913</u>
Expenses:		
Salaries	427,641	379,810
Investment advisory fee	239,862	159,843
Board travel and meetings	75,583	51,799
Rent and parking	58,336	63,507
Professional fees	58,333	85,272
General administration	40,049	75,455
Insurance	23,994	23,988
	<u>923,798</u>	<u>839,674</u>
Allocation to Legal Aid Alberta	6,000,000	5,500,000
Project payments related to deferred revenue	375,000	–
	<u>18,115,737</u>	<u>10,349,239</u>
Excess of revenue over expenses before grant allocations	18,115,737	10,349,239
Deduct:		
Project grant allocations from unrestricted net assets:		
Research and reform	35,269	148,634
Law libraries	–	64,000
Public legal education	1,260,950	449,340
Community, student and native legal programs	903,076	854,241
	<u>2,199,295</u>	<u>1,516,215</u>
Program grant allocations from unrestricted net assets:		
Research and reform	3,328,628	2,905,236
Law libraries	1,610,137	1,764,714
Public legal education	3,120,304	2,766,496
Community, student and native legal programs	6,757,116	6,085,484
	<u>14,816,185</u>	<u>13,521,930</u>
Total grant allocations	17,015,480	15,038,145
Add:		
Grant refunds	682,367	642,878
Allocations withdrawn	129,082	539,372
	<u>811,449</u>	<u>1,182,250</u>
Net Grant Allocations:	16,204,031	13,855,895
Surplus / (deficiency) of revenue over expenses before unrealized gain on investments	1,911,706	(3,506,656)
Change in unrealized gain on investments	(2,550,060)	487,020
Deficiency of revenue over expenses	\$ (638,354)	\$ (3,019,636)

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# ALBERTA LAW FOUNDATION

## Statement of Changes in Net Assets

Year ended March 31, 2014, with comparative information for 2013

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March 31, 2014	Unrestricted	Grant Stabilization Fund	Strategic Reserve Fund	2014 Total	2013 Total
Balance, beginning of year	\$ 2,708,191	\$ 40,565,790	\$ 34,090,072	\$ 77,364,053	\$80,383,689
Deficiency of revenue over expenses	(638,354)	–	–	(638,354)	(3,019,636)
Internally designated transfers	1,021,600	–	(1,021,600)	–	–
Internally designated transfers	1,544,819	–	(1,544,819)	–	–
Internally designated transfers	–	3,363,912	(3,363,912)	–	–
Balance, end of year	\$ 4,636,256	\$ 43,929,702	\$ 28,159,741	\$ 76,725,699	\$77,364,053

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# ALBERTA LAW FOUNDATION

## Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$ (638,354)	\$ (3,019,636)
Items not involving cash:		
Change in unrealized gain on investments	2,550,060	(487,020)
Net realized gain on investments	(3,522,819)	(1,098,061)
Changes in non-cash working capital:		
Accrued liabilities	57,649	5,000
Grants payable	1,554,070	(120,404)
Funds held in trust	(9,707)	30,438
Deferred revenue	(362,246)	1,226,343
Payable to Legal Aid Alberta	500,000	–
Interest receivable - lawyers' pooled trust accounts	(116,575)	(314,724)
Interest receivable - bank accounts	16,373	–
Undisbursable trust balances receivable	92,261	(92,261)
Rent security deposit	–	(6,417)
	120,712	(3,876,742)
Investments:		
Amortization of premiums and discounts	25,489	530,993
Purchase of investments	(151,583,703)	(102,559,865)
Disposal of investments	103,706,501	155,254,319
Change in accrued interest on investments	139,904	231,198
(Increase) decrease in cash held for investments and in trust	47,605,595	(49,547,966)
	(106,214)	3,908,679
Increase in cash	14,498	31,937
Cash position, beginning of year	193,930	161,993
Cash position, end of year	\$ 208,428	\$ 193,930

## About the Alberta Law Foundation

### Establishment

The Alberta Law Foundation was established under the Legal Profession Act, effective April 1, 1973. The Foundation is the recipient of the interest which banks, credit unions, trust companies and treasury branches pay on clients' funds held in lawyers' pooled trust accounts. This does not include interest paid on a specific trust investment held for an individual client. The interest is made available by the Foundation by way of grants to organizations engaged in activities considered to be in keeping with the Foundation's objects.

### Objects

The objects of the Foundation, as set out in the Legal Profession Act are:

- i. conducting research into and recommending reform of the law and the administration of justice;
- ii. establishing, maintaining and operating law libraries;
- iii. contributing to the legal education and knowledge of the people of Alberta and providing programs and facilities for those purposes;
- iv. providing assistance to native people's legal programs, student legal aid programs and programs of like nature; and
- v. contributing to the costs incurred by the Legal Aid Society of Alberta to administer a plan to provide legal aid. (This contribution has been legislated to be 25% of the revenue received by the Foundation from interest on lawyers' general trust accounts.)

### Board of Directors

The Foundation's funds are administered by a Board of Directors consisting of seven members: three appointed by the Alberta Minister of Justice, two by the Benchers of the Law Society of Alberta, and two others appointed by the Board. The Directors meet four or five times a year to consider grant applications, policy matters and the general administration of the Foundation's affairs, including the collection and investment of funds. Investments are governed by a comprehensive Statement of Investment Policies and Procedures in accordance with prudent investment standards.

### Funding Policies

Programs or projects to be funded by the Foundation must fall within the stated objects of the Foundation as interpreted by the Board. Grants may be of any size but all are subject to the availability of funds. The applicant must be a non-profit organization incorporated or organized with a board of directors or equivalent supervisory body. In general, grants will not be made to an individual or for the support of a commercial venture. Grant recipients are required to provide to the Foundation a narrative and financial report at least every six months during the grant, and year end financial statements. Any unexpended funds at the end of the program or project must be returned to the Foundation.

### Application Process

The grant application process begins with a discussion of the program or project idea with the Program Director. The initial discussion is followed by an exchange of drafts during the development of the application. The application is then finalized and submitted for review by the Foundation Board of Directors. Board meeting dates and application deadlines are available on the Foundation web site or by contacting the Foundation office. Staff can assist with the application process but the funding decision rests with the Board of Directors.

### Staff

David Aucoin, MBA, Executive Director  
Deborah Duncan, LL.B / BCL, Program Director  
Patricia Cameron, MSc, Program Coordinator  
Diana Porter, Administrative Assistant

### Contact

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