



Alberta **LAW**
FOUNDATION

42nd
Annual Report
2015

Fiscal Year ended March 31, 2015

MESSAGE FROM THE CHAIR

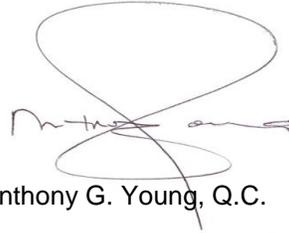
The business of the Alberta Law Foundation can, at times, be challenging. Challenging times bring greater needs for Albertans of limited means. It is also a time when income for the Foundation may be flagging. Thankfully, through foresight, good management and perhaps a little luck, the Foundation remains robust and ready to meet the challenges ahead. Our Grant Stabilization Fund is designed to be equal to 3 times the amount of current operating grants, essentially providing a three-year breathing space in the event of a catastrophic decline in Foundation income. This stable source of funding is not to be taken for granted. The Foundation will continue to challenge its grantees to find new ways to leverage their resources in an effort to provide better value to the people of Alberta.

Last year I spoke of our mission to “lead and support efforts to build a better justice community in Alberta”. My message was that “the Foundation should be more than just a grant making agency. It

should be a leader in the justice sector.” Throughout the year, the Foundation has striven, through its strategic plan, to do just that. I want to thank the Board, the Executive Director and the staff of the Foundation for all of their dedication and hard work during the past year in striving to meet this goal.

I look forward to being a part of the innovation that is taking place in the Access to Justice landscape. The next few years are shaping up to be very exciting indeed!

Sincerely,



Anthony G. Young, Q.C.

MESSAGE FROM THE EXECUTIVE DIRECTOR

After learning the ropes as the ALF Program Director for six years under Dave Aucoin’s guidance, I am looking forward to working with the Board over the coming years to achieve the goals in the Foundation’s new strategic plan. The newly articulated Ends will permit the Foundation to keep its focus on the ultimate desired outcomes. I see that our first job is to communicate these Ends to existing grantees, prospective applicants and Alberta justice stakeholders. Our second job is to identify and understand, with input from stakeholders, the priority needs in Alberta with respect to each End. We will then continue to provide financial support to programs and initiatives that show promising potential to meet the identified needs and have a real impact for Albertans.

Our expectation is that grantees should be able to demonstrate the impact of their work. The Foundation will look to build capacity among grantees to align funded program objectives with the Foundation Ends, design appropriate service delivery models and evaluate the impact of their work, whether it is in the area of legal research, information, education or legal advice and representation. Efforts have already begun in this regard with the community legal clinics as described later in this report. I am excited to be a part of this new chapter in the evolution of the Alberta Law Foundation.



Deborah Duncan

ALF MISSION AND STRATEGIC DIRECTION

The Alberta Law Foundation was created under the Legal Profession Act in 1973. It is governed by an independent board of seven directors, three of whom are appointed by the Minister of Justice & Solicitor General, two by the Law Society of Alberta and two by the Board. The Foundation is the recipient of the interest which financial institutions pay on clients' funds held in Alberta lawyers' pooled trust accounts. This does not include interest paid on specific trust investments held for individual clients. The interest on lawyers' pooled trust accounts ("IOLTA") together with investment and other income of the Foundation is allocated by the Board to organizations engaged in activities which will advance the objects of the Foundation.

To guide its work, the Foundation adopted four organizational End statements which serve to align the Foundation's objects with desired outcomes. The 2014-17 Strategic Plan includes greater focus on the identification of legal needs in the province, a method for prioritizing those needs, and strategies to build capacity among grantees to achieve and measure their program outcomes. To help implement the Strategic Plan, the Foundation has created three Board Committees and expanded its program staff to three Grants Coordinators, in addition to the Executive Director and Administrative Assistant.

STATUTORY OBJECTS

- i. Legal Research and Law Reform
- ii. Law Libraries
- iii. Public Legal Education
- iv. Native People's Legal Programs, Student Legal Aid Programs and programs of like nature
- v. Contributing to the costs of Legal Aid Alberta (legislated to be 25% of IOLTA received by the Foundation in the previous year)

VISION AND MISSION

Vision

Accessible Justice for All Albertans.

Mission

Lead and support efforts to build a better justice community in Alberta.

ORGANIZATIONAL ENDS AND 2014-17 STRATEGIC PRIORITIES

I. The law and the administration of justice reflect Albertans' current values.

- Engage organizations to develop practical applied research and law reform proposals to meet ALF's Vision and Mission.
- Focus on family law matters and processes.
- Communicate recommendations to appropriate policy and law makers.

II. Albertans are aware of and understand the law and their legal rights and obligations.

- Develop a unified provincial public legal education and information (PLEI) strategy with identification of needs, priorities and best practices.
- Promote collaboration among PLEI providers.
- Implement best practices among PLEI providers.

III. Albertans can effectively exercise their rights under the law.

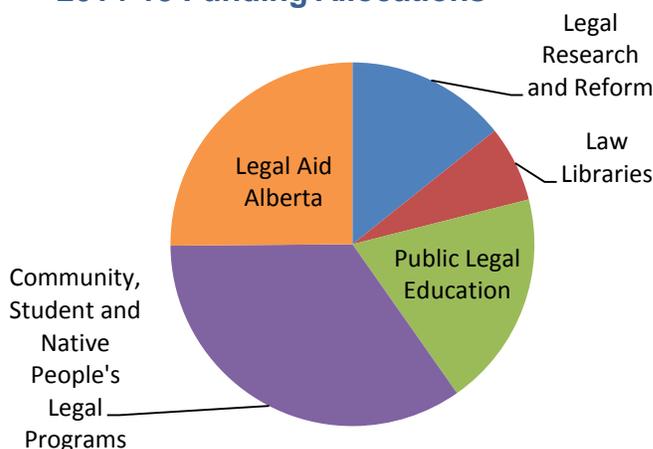
- Build effective capacity among direct legal service providers.
- Engage with groups serving the Aboriginal community to better understand needs and build capacity.
- Promote collaboration among service providers.

IV. The Foundation excels as an organization that identifies and addresses key justice sector issues and concerns.

- Governance
- Grant-making
- Operations

2014-15 YEAR IN REVIEW

2014-15 Funding Allocations



Increasing Capacity Among Grantees

In September 2014, the Foundation retained an evaluation specialist to work with the four ALF-funded community legal clinic organizations to design and implement a process evaluation for the summary legal advice model of service delivery in Alberta. Preliminary findings will be available in late 2015. The exercise has contributed to the learning at the clinic level about evaluative processes, and has provided greater opportunity for them to share information about the particulars of their individual operations and discuss best practices. The evaluation will be an ongoing process that will inform the clinics about the impact of their services and identify areas for improvement.

In 2014-15, the Foundation approved funding for a Communications Director position to work with all of the community clinics on common issues and build capacity within each organization.

Progress is being made to streamline reporting of outputs of similar programs so that it is more efficient, informative and relevant, allowing grantees to spend more time on activities directly related to accomplishing their mission.

Increasing Internal Capacity

With the addition of two new Grants Coordinators in 2014-15, the Foundation has increased its own capacity to work closer with grantees and other stakeholders to gain a better understanding of the legal needs across Alberta. Additional in-house evaluation expertise will enable the Foundation to assess how grantee programs are addressing needs, and work with grantees on an on-going basis with a view to ensuring that their impact can be measured and demonstrated.

2014-15 BY THE NUMBERS

Grants

87 applications reviewed

78 applications approved

49 operating grants awarded
29 project grants awarded

\$17.8 million in grants allocated

\$15.1 million in operating grants
\$ 2.7 million in project grants

Grantee Service Outputs

234,634 service contacts including the following:

80,574 legal advice, representation or other direct legal services,

96,428 PLE participants at

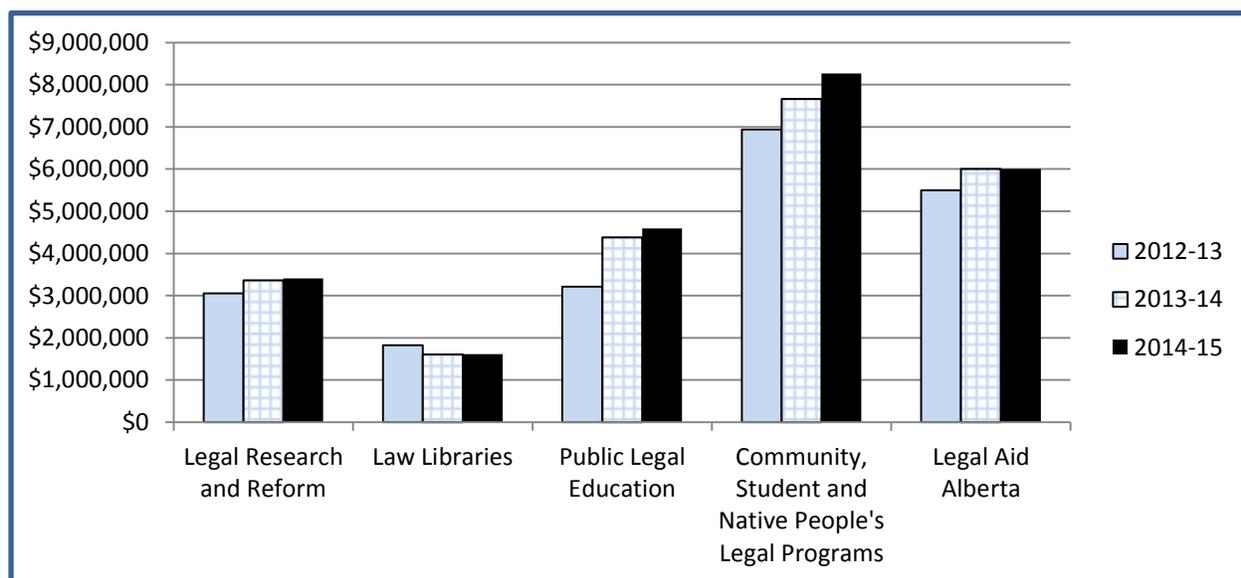
4,316 public legal education presentations, and

57,632 legal information & referrals

In addition to the service numbers noted above, numerous individuals benefitted from other programs funded by ALF including Legal Aid Alberta, legal research and reform programs, and public legal information accessed through online resources.

\$6 million Legal Aid contribution

2014-15 FUNDING ALLOCATIONS COMPARED TO TWO PREVIOUS YEARS



GRANTS AWARDED 2014-15

Legal Research and Law Reform

Alberta Civil Liberties Research Centre

Legal research and education on civil liberties and human rights \$703,721

Discrimination in Seniors settings DVD and Workshop development project \$87,500

Alberta Law Reform Institute

Research into law and the administration of justice and proposing law reform \$1,095,000

Canadian Bar Association, Alberta

Legislative Review Officer - assists the Committee to review all bills prior to first reading and summarize bills passing through the Legislature \$20,000

Canadian Institute of Resources Law

Legal research, education and publication activities \$226,007

Canadian Research Institute for Law and the Family

Legal research, education and publication activities \$462,377

National Symposium project \$40,000

Centre for Constitutional Studies

Legal research, education and publication activities \$374,641

Strategic Planning Consultant \$1,500

Environmental Law Centre

Legal research, education, information and referral about environmental law \$397,748

Law Libraries

Joint Library Committee

Maintenance of Alberta Law Libraries collections	\$1,614,144
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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	\$992,500	Elk Island Public Schools, Next Step Continuing Education Provision of public legal education workshops	\$17,932
Alberta Seventh Step Society Education in the schools about the criminal justice system from the viewpoint of the ex-offender	\$221,500	Grande Prairie Council for Lifelong Learning Provision of public legal education workshops	\$26,150
Alberta Workers' Health Centre Work Plays Program – dramatic presentations to school audiences about Employment and Workplace Health and Safety law	\$200,000	John Howard Society of Alberta CJE program workshops	\$27,260
Calgary Catholic Immigration Society PLE workshops on immigration, family, employment and criminal law to clients of CCIS and to service providers	\$28,000	Web-based criminal justice education project	\$59,004
Calgary Chinese Community Service Association Law & Advocacy project	\$62,580	Provincial CJE print materials	\$19,530
Calgary Workers' Resource Centre Employment rights, obligations and benefits education program	\$78,311	YCJA video production for school and community presentations	\$97,978
Enhanced vulnerable workers support project	\$154,342	Calgary John Howard Society Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$234,257
Canadian Bar Association, Alberta Law Day 2015 – partial funding for public legal education events held across the province	\$42,000	Edmonton John Howard Society Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$197,290
Chinook Learning Services, Calgary Provision of public legal education workshops	\$42,000	Lethbridge John Howard Society Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$168,487
Edmonton Public Schools, Metro Continuing Education Provision of public legal education workshops	\$39,419	Medicine Hat John Howard Society Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$85,209
		John Howard Society of Red Deer Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$96,430

John Howard Society of Grande Prairie		Portage College	
Presentations to school students and community groups about the Youth Criminal Justice Act and the criminal justice system in Canada	\$200,060	Provision of public legal education workshops	\$102,020
Kinbrace Community Society		Red Deer Public Schools, Community Programs	
Refugee Hearing Preparation: A Guide for Refugee Claimants	\$47,049	Provision of public legal education workshops	\$14,082
Legal Resource Centre of Alberta Ltd. (Centre for Public Legal Education Alberta)		University of Alberta, Faculty of Law	
Print and web-based public legal education and information resources; legal referrals and presentations to the public; and training for intermediaries	\$612,000	Undergraduate Bursaries	\$272,000
Law Now project	\$50,679	Undergraduate Awards	\$20,000
Intermediaries Legal Education and Training project	\$86,010	Aboriginal Law Speaker Series	\$7,371
Lethbridge College		University of Calgary, Faculty of Law, Environmental Law Society	
Provision of public legal education workshops	\$66,560	Canadian Association of Environmental Law Societies (CAELS) Conference	\$6,875
Medicine Hat College		University of Calgary, Faculty of Law	
Provision of public legal education workshops	\$36,250	Undergraduate Bursaries	\$160,000
Mount Royal University Foundation		University of Calgary, Faculty of Law, Voices in Law	
Scholarships for students pursuing Honours BA, Criminal Justice	\$5,000	Speakers Series	\$22,100

Community, Student and Native People's Legal Programs

Calgary Legal Guidance		Camrose & District Victim Services Society	
Volunteer lawyer clinic services; follow-up legal advice and representation; public legal education, information and referral; Homeless Outreach program; related administration costs	\$2,234,455	Court Support Assistant	\$15,938
Aboriginal Articling Student position	\$26,509	Central Alberta Legal Clinic Foundation	
Client Relationship Management System project	\$15,939	Volunteer lawyer clinic services; follow-up legal advice and representation; public legal education, information and referral; related administration costs	\$419,725
Communications Director project	\$193,500	Central Alberta Victim & Witness Support Society	
Calgary Women's Emergency Shelter Association		Court Support Liaison project	\$53,620
Provision of legal information, assistance and referral	\$145,901	Central Alberta Women's Outreach Society	
		Legal information, assistance and referral in Red Deer and area	\$151,402

Children's Legal & Educational Resource Centre		Lethbridge Legal Guidance	\$380,929
Legal support, services and legal education for children and youth	\$345,596	Volunteer lawyer clinic services; follow-up legal advice and representation; public legal education, information and referral; related administration costs	
Crowsnest Pass Women's Resource and Crisis Centre		Native Counselling Services of Alberta	
Legal information, support and referral services	\$18,000	BearPaw Media Productions	\$382,009
Edmonton Community Legal Centre		BearPaw Legal Education and Resource Centre	\$391,401
Volunteer lawyer clinic services; follow-up legal advice and representation; public legal education, information and referral; related administration costs	\$1,364,866	Pro Bono Law Alberta	
Grande Prairie Legal Guidance (volunteer lawyer clinic services, information and referral)	\$54,157	Partial funding of operations costs to assist delivery of pro bono legal services	\$247,537
Family Law Project (PLE; volunteer lawyer services, follow-up legal advice and representation, information and referral)	\$84,589	Student Legal Assistance, University of Calgary	
Elizabeth Fry Society of Calgary		Provision of legal information and assistance to the community by law students	\$387,981
Calgary Adult and Youth Court program – information, guidance referral and support to persons in Provincial and Youth Court; Community Awareness Program for Immigrants	\$276,480	Capital Equipment project	\$31,516
Satellite Court Expansion Projects	\$82,854	Student Legal Services of Edmonton, University of Alberta	
Elizabeth Fry Society of Edmonton		Provision of legal information and assistance to the community by law students, including Pro Bono Students Canada at the University of Alberta	\$402,050
Edmonton Adult Court Program - Information, guidance, referral and support to persons in Edmonton Provincial Court	\$75,682	University of Calgary, Faculty of Law, Pro Bono Students Canada	
Edmonton Youth Court Program – Information, guidance, referral and support to persons in Edmonton Youth and Family Court	\$95,284	Funding for student coordination of volunteer programs	\$28,255
Volunteer lawyer clinic at the Edmonton Institution for Women	\$14,978	University of Saskatchewan, Native Law Centre	
Satellite Court Program in St Albert, Stony Plain and Morinville	\$68,228	Partial funding of the legal research and education program	\$20,000
Satellite Court Program in Fort Saskatchewan and Sherwood Park	\$73,558	Women's Centre of Calgary	
Satellite Court Project in Wetaskiwin, Camrose and Ponoka	\$81,791	Legal Clinic Volunteer Coordinator	\$38,121
Satellite Court Project in Red Deer	\$54,822		

BOARD OF DIRECTORS

- Anthony G. Young, Q.C., Chair (Calgary)
- Murray W. Stooke, Q.C. (Calgary) (retired Feb 2015)
- Barry R. Gardiner, FCA (Edmonton) *
- Brian LeMessurier, M.Ed. (Athabasca) *
- Thomas G. Rothwell, B.A., LL.B. (Edmonton)
- Verlyne Christensen, M.Sc. (Calgary)
- Stephanie L. Dobson, B.A., J.D. (Lloydminster)
- Gregory D. M. Stirling, Q.C. (Calgary) (replaced Murray Stooke in Feb 2015)

* Appointment expiry May 2015

COMMITTEES

- Finance, Audit & Risk Management
- Governance
- Human Resources

STAFF

Deborah Duncan – Executive Director
Patricia Cameron – Program Coordinator
Janet Kerrigan – Grants Coordinator
Michelle Bickley – Grants Coordinator
Diana Porter – Administrative Assistant

2014-15 FINANCIAL RESULTS

Foundation revenues from interest on lawyers' pooled trust accounts in 2014-15 were \$19.2 million. The contribution to Legal Aid Alberta totalled \$6 million including the statutory 25% of IOLTA equal to \$4,802,100 and a supplementary amount of \$1,197,900. Grant allocations to fund ongoing programs and new projects totalled \$17,878,546. The supplementary Legal Aid contribution and a grant of almost \$1 million to the

Alberta Legal Information Society (ALIS) were drawn from the Foundation's Strategic Reserve Fund, with IOLTA and other revenue covering the remainder of the allocations. The Foundation ended the year with an operating deficit of \$50,680, and an overall surplus of \$2.5 million, after taking into account unrealised gains on investments. Detailed financial information for fiscal 2014-15 is provided on the following pages.

FISCAL OUTLOOK FOR 2015-16

Following the reductions in the prime interest rates in January and July 2015, and a reduction in the balances of lawyers' pooled trust accounts in the first part of 2015, the Foundation forecasts IOLTA revenues for 2015-16 to be approximately \$12.5 million, down \$6.7 million from last year. A number of factors are expected to further suppress Foundation revenues this year. These include continuing low oil prices leading to a slowdown in the housing sector and the economy in general, as well as recent changes in bank liquidity regulations which may reduce the amount of interest paid by banks to the Foundation.

In this uncertain economic environment, the legal needs of Albertans are not expected to diminish and may, in fact, become more acute. Accordingly, the Foundation anticipates the total funding

allocations to grantees in 2015-16 will be at a level similar to last year. This, combined with an allocation to Legal Aid Alberta equal to 25% of IOLTA revenue, is anticipated to result in an operating loss for 2015-16 of close to \$5.7 million.

The Foundation remains committed to supporting the legal needs of Albertans, particularly through difficult times, and it has the capacity at this time to do so by drawing on reserves. In the coming years, the Foundation will be prioritizing and reviewing how it can meet the most pressing needs even if the weak economy persists. Our focus will continue to be on facilitating access to justice by sustaining and building capacity among grantees that provide direct legal services to vulnerable individuals.

ALBERTA LAW FOUNDATION

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	2015	2014
Assets		
Current assets:		
Cash	\$ 363,949	\$ 208,428
Investments (note 2)	4,560,937	2,023,612
Funds held in trust (note 4)	-	20,731
Rent security deposit	6,417	6,417
Accrued interest - bank accounts	3,395	1,757
Interest receivable:		
Lawyers' pooled trust accounts (note 1(b))	1,383,798	1,651,190
	6,318,496	3,912,135
Investments (note 2)	94,933,333	94,345,161
	\$ 101,251,829	\$ 98,257,296
Liabilities and Net Assets		
Current liabilities:		
Funds held in trust (note 4)	\$ -	\$ 20,731
Deferred revenue (note 3)	491,846	864,097
Accounts payable and accrued liabilities	81,109	79,649
Grants payable (note 7)	15,482,774	14,567,120
Payable to Legal Aid Alberta (note 8)	6,000,000	6,000,000
	22,055,729	21,531,597
Net assets:		
Grant stabilization fund	45,433,389	43,929,702
Strategic reserve fund	26,009,342	28,159,741
Unrestricted	7,753,369	4,636,256
	79,196,100	76,725,699
Commitments (note 9)		
	\$ 101,251,829	\$ 98,257,296

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.

ALBERTA LAW FOUNDATION

Statement of Operations

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Revenues:		
Interest earned on lawyers' pooled trust accounts	\$ 19,208,402	\$ 17,820,724
Investment Income (note 2)	5,049,934	7,035,167
Income recognized from deferred revenue (note 3)	380,000	375,000
Undisbursable trust balances from Law Society of Alberta	180,929	183,644
	<u>24,819,265</u>	<u>25,414,535</u>
Expenses:		
Salaries	507,588	427,641
Investment advisory fee	231,678	239,862
Rent and parking	73,036	58,336
Contract fees	57,470	15,314
Board travel and meetings	55,410	75,583
Professional fees	24,755	43,019
Insurance	23,994	23,994
General administration	21,393	25,508
Computing / Web Services	17,498	14,541
	<u>1,012,822</u>	<u>923,798</u>
Allocation to Legal Aid Alberta (note 8)	6,000,000	6,000,000
Project payments related to deferred revenue (note 3)	380,000	375,000
	<u>17,426,443</u>	<u>18,115,737</u>
Deduct:		
Project grant allocations (note 7)	2,734,083	2,199,295
Program grant allocations (note 7)	15,144,463	14,816,185
	<u>17,878,546</u>	<u>17,015,480</u>
Add:		
Grant refunds (note 5)	375,083	682,367
Allocations withdrawn (notes 5 and 7)	26,340	129,082
	<u>401,423</u>	<u>811,449</u>
Net Grant Allocations:	<u>17,477,123</u>	<u>16,204,031</u>
(Deficiency) / surplus of revenues over expenses before unrealized gain/loss on investments	(50,680)	1,911,706
Change in unrealized gain/loss on investments	2,521,081	(2,550,060)
	<u>\$ 2,470,401</u>	<u>\$ (638,354)</u>

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ALBERTA LAW FOUNDATION

Statement of Changes in Net Assets

Year ended March 31, 2015, with comparative information for 2014

March 31, 2015	Unrestricted	Grant Stabilization Fund	Strategic Reserve Fund	2015 Total	2014 Total
Balance, beginning of year	\$ 4,636,256	\$ 43,929,702	\$ 28,159,741	\$ 76,725,699	\$ 77,364,053
Surplus (deficiency) of revenue over expenses	2,470,401	-	-	2,470,401	(638,354)
Internally designated transfers (note 6)	952,500	-	(952,500)	-	-
Internally designated transfers (note 6)	1,197,899	-	(1,197,899)	-	-
Internally designated transfers (note 6)	(1,503,687)	1,503,687	-	-	-
Balance, end of year	\$ 7,753,369	\$ 45,433,389	\$ 26,009,342	\$ 79,196,100	\$ 76,725,699

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ALBERTA LAW FOUNDATION

Statement of Cash Flows

Year ended March 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operations:		
Surplus / (deficiency) of revenue over expenses	\$ 2,470,401	\$ (638,354)
Items not involving cash:		
Change in unrealized gain/loss on investments	(2,521,081)	2,550,060
Net realized gain on sale of investments	(566,274)	(3,522,819)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	1,460	57,649
Grants payable	915,654	1,554,070
Funds held in trust payable	(20,731)	(9,707)
Deferred revenue	(372,251)	(362,246)
Payable to Legal Aid Alberta	-	500,000
Interest receivable - lawyers' pooled trust accounts	267,392	(116,575)
Accrued Interest - bank accounts	(1,638)	16,373
Undisbursable trust balances receivable	-	92,261
	172,932	120,712
Investments:		
Amortization of premiums and discounts	-	25,489
Purchase of investments	(19,767,108)	(151,583,703)
Proceeds from disposal of investments	22,266,291	103,706,501
Change in accrued interest - investments, bank accounts	-	139,904
Decrease in cash held for deferred revenue	371,735	361,815
(Increase) decrease in cash held for investments and in trust	(2,888,329)	47,243,780
	(17,411)	(106,214)
Increase in cash	155,521	14,498
Cash, beginning of year	208,428	193,930
Cash, end of year	\$ 363,949	\$ 208,428

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