

Alberta **LAW**
FOUNDATION

0

2

0

2

47TH

Annual Report

FISCAL YEAR ENDED
MARCH 31, 2020

From the Chair

Stephanie Dobson, B.A., J.D.

Board of Directors

Stephanie L. Dobson, B.A. J.D.,
Chair
Lloydminster
(appointed by the Board)

Karen Gallagher-Burt, MSW
Calgary
(appointed by the Minister of Justice
& Solicitor General)

**Monica Kreiner, M. Ed.,
C. Med.**
Grande Prairie
(appointed by the Minister of Justice
& Solicitor General)

Cindy Lang, LLB
Edmonton
(appointed by the Minister of Justice
& Solicitor General)

**Paul Chiswell, B Comm, LLB,
BCL**
Calgary
(appointed by the Law Society of
Alberta)

**Drew Thomson, MBA, FCPA,
FCMA**
Edmonton
(appointed by the Board, February
2020)

William Hendsbee, Q.C., LLB
Edmonton
(appointed by the Law Society of
Alberta, February 2020)

Barry R. Gardiner, FCPA, FCA
Edmonton
(term ended January 2020)

Darlene W. Scott, Q.C.
Edmonton
(stepped down February 2020)

Looking back at the 2019-20 year, we are very thankful for the healthy economy and the revenues that were generated, allowing us to pursue many initiatives supporting organizations who serve vulnerable Albertans. Unfortunately, in the final month of our fiscal year we were hit with two events which will significantly impact the Foundation financially in the coming years – we had three interest-rate reductions between March 4 and 27, 2020 totalling 150 basis points and the shutdown of the economy, both as a result of the coronavirus pandemic. We are forecasting this very low interest-rate environment for the foreseeable future, which, in addition to the challenging Alberta economy, will have devastating long-term effects on our revenue stream.

Being in the final year of our current strategic plan (2017-2020), we are coming together as an organization to plan for the next 3-year cycle to ensure that we plan effectively to support our grantees during this very difficult and uncertain time for them and the Albertans they serve. It is our commitment to work with our grantees to prioritize needs.

We are very proud of having continued our *Bridging the Gaps* initiative over the past year, and look forward to continuing this work with grantees and other stakeholders into the future. This initiative has allowed us to keep a pulse on needs in the community and services being provided, to determine the gaps so that we can maximize our impact. This initiative started in 2018 and it is as a direct result of the gaps identified therein that the Foundation has funded new projects over the last year.

Having transitioned seamlessly to a virtual meeting platform with *Bridging the Gaps*, we have expanded our connections to include more informal opportunities for grantees to connect and troubleshoot with each other. We appreciate how positively the grantees and stakeholders have welcomed these initiatives.

The Foundation Board of Directors has undergone many changes over the past year – the retirement of Barry Gardiner after serving on our board for 13 years, and our former Chair, Darlene Scott, Q.C., having stepped down after being elected as President-Elect of the Law Society of Alberta. We are so thankful for their years of service and their innumerable positive contributions to our board.

Our new board members are Drew Thomson, appointed by the board, and William (Bill) Hendsbee, Q.C., our bench representative appointed by the Law Society of Alberta, both effective February 2020. We welcome them to the board and look forward to their contributions.

I feel very honoured, humbled, and grateful that my name was chosen to be put forward to the Minister of Justice & Solicitor General for appointment as Foundation Chair for the duration of my term on the board (February 2022). I look forward to serving the board and working collaboratively with the board and our Executive Director and her staff as we navigate these challenging waters in the upcoming years. Given the strong relationships we have built with our grantees and stakeholders, we are optimistic that we will be able to pull together and continue striving towards our vision of accessible justice for all Albertans.

Staff

Deborah Duncan
Executive Director

Kate Henry
*Director of Finance &
Administration*

Janet Kerrigan
Grants Coordinator

Diana Porter
Administrative Assistant

Flora Stevenson
*Research & Project
Coordinator*

Carmen Wyatt
Grants Coordinator

Our Vision

Accessible justice for all Albertans

Our Mission

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

Our Objects

Research and Law Reform

Law Libraries

Public Legal Education

Native People's Legal Programs, Student Legal Aid Programs and programs of like nature

Contributing to the costs of Legal Aid Alberta (legislated to be 25% of IOLTA received by the Foundation in the previous year)

The Alberta Law Foundation was created under the Legal Profession Act in 1973.

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.

Strategic Priorities

In 2014, the Foundation undertook a strategic planning session which developed our four Organizational Ends and associated strategic priorities which were then updated in 2017. In the final year of our 2017-20 Strategic Plan, we continued to pursue our strategic priorities under each End.

End 1

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

Priority: Engage organizations to develop practical applied research and law reform proposals to meet the Foundation's Vision and Mission.

Priority: Focus on family law matters and processes.

End 2

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

Priority: Promote collaboration among providers of Public Legal Education and Information.

Priority: Build evaluation capacity among providers of Public Legal Education and Information.

End 3

Albertans can effectively exercise their rights under the law.

Priority: Build effective capacity among direct legal service providers to identify and demonstrate achievement of outcomes.

Priority: Build relationships with Indigenous peoples to better understand legal needs and build capacity.

Priority: Promote collaboration and coordination among legal service providers, including Legal Aid Alberta and community legal clinics.

End 4

Excel as an organization that identifies and addresses key justice sector issues and concerns.

A. Governance Priorities

- *Have and manage an effective Board succession plan.*
- *Focus on oversight and governance, including strategic planning.*
- *Foster and leverage working relationships with key justice stakeholders.*
- *Collaborate and benchmark with other foundations.*

B. Grant-making Priorities

- *Use robust data gathering, needs assessment and prioritization processes.*
- *Support high impact programs and initiatives that meet legal service needs of vulnerable Albertans at a reasonable cost.*

C. Operations Priorities

- *Ensure organizational capacity to achieve the Strategic Plan.*
- *Oversee continuity planning: staff recruitment, development and succession.*
- *Ensure fiscal responsibility and accountability.*

Bridging the Gaps

2019-20 Funding Priorities

1. Legal Services for Newcomers – *especially services that are culturally and linguistically accessible*
2. Legal Services for Indigenous people – *services that are also culturally appropriate*
3. Immigration Law and Family Law – *especially legal advice and representation in these areas of law*
4. Legal advice, representation, coaching and assistance with court forms and procedures – *in all areas of law, for all types of clients*
5. Communication and referrals among service providers

To support the work needed to address these five areas, the Foundation will also support efforts to enhance staff, volunteer and board member awareness, knowledge and cultural competency of the local context in which they work.

The *Bridging the Gaps* initiative was established in January 2018 to help ascertain unmet legal needs in Alberta to guide ALF's grant-making. Since then, the initiative has brought 35 stakeholder organizations together to share their knowledge about legal needs in their community, exchange ideas about how to address those needs and inform sector research led by ALF.

In 2018, *Bridging the Gaps* stakeholders identified the most pressing legal needs for low income Albertans, which became ALF's funding priorities for 2019-20 (see sidebar).

In 2019, two *Bridging the Gaps* workshops were held to explore some of the identified needs in more depth. The session in May focused on coordination of legal services in Alberta. The group had the opportunity to critique and refine the *Bridging the Gaps Matrix of Legal Services in Alberta* and to use it to perform a gap analysis about child welfare legal services.

The Matrix is a database of public legal services provided by 23 organizations across Alberta participating in the *Bridging the Gaps*. It contains information about 8 types of legal services in 13 areas of law. The main objective of the Matrix is to serve as a referral tool for legal service providers, and to help them coordinate, collaborate, identify service gaps and build common language to describe their services. Based on feedback received at the workshop in May, the Matrix was refined and its 3rd version was completed in August 2019.

In response to the discussion in May about gaps in legal services in child welfare matters, as well as the findings of the Truth and Reconciliation Commission and the National Inquiry into Missing and Murdered Indigenous Women and Girls regarding the child welfare system, ALF conducted an environmental scan and needs assessment. The project included:

- Research about child welfare law, process and existing legal services in Alberta;
- Interviews with twenty-six individuals working in various capacities in the child welfare system across Alberta, to identify existing services and unmet legal needs;
- A workshop in November focused on Family Law and Child Welfare Law including presentations from Reforming the Family Justice System, Legal Aid Alberta, Office of the Child and Youth Advocate, Native Counselling Services of Alberta and the Wahkohtowin Law & Governance Lodge;
- The creation of the Child Welfare Focus Group to review the gaps identified in the research and consider strategies to address such gaps; and
- The Final Report of the *Environmental Scan and Needs Assessment of Child Welfare Legal Services in Alberta*, completed and distributed in May 2020.

The heart of the *Bridging the Gaps* initiative is the involvement, knowledge and passion of the participants. The Alberta Law Foundation is very grateful for their time and commitment to improve access to justice in Alberta.

New Grants Responding to 2019-20 Funding Priorities

In 2019-20, the Foundation approved 16 new grants responding directly to the gaps in legal services identified through the Bridging the Gaps initiative:

1. Legal Services for Newcomers

Kinbrace Community Society

- *Refugee Hearing Preparation Guide*

2. Legal Services for Indigenous People

Mount Royal University Foundation

- *Otahpiaaki* – Indigenous legal panel discussion to explore reform of intellectual property laws using Indigenous Orders

Native Counselling Services of Alberta

- *Calgary Urban Indigenous Peacemaker Program*
- *Lethbridge Urban Indigenous Peacemaker Program*

O'Chiese First Nation

- *O'Chiese Legal Resource Centre Project* – to develop and deliver legal education and information on the O'Chiese Nation

3. Immigration Law and Family Law

Calgary Women's Emergency Shelter Association

- *Court Program Project*

Central Alberta Legal Clinic Foundation

- *Immigration Law Project*

Elizabeth Fry Society of Calgary

- *Domestic Violence Court Project*

4. Legal Advice, Representation, Coaching and Assistance with Court Forms and Procedures

Central Alberta Women's Outreach Society

- *Paralegal Support Services Project*

Cochrane and Area Victim Services Society

- *Court Advocacy Project*

Elizabeth Fry Society of Calgary

- *Lethbridge Court Pilot Project*
- *Regional Court East, Strathmore, Siksika Pilot Project*

Elizabeth Fry Society of Edmonton

- *Fort McMurray Court Program*
- *Satellite Court Assistance Program*

Pro Bono Law Alberta

- *Document Assembly Support Service (DASS)*

The Alex

- *Justice Navigator Project* – provision of legal information and referrals to adult and youth clients by a Justice Navigator

Our Grantees' Work & Impact

Grantee Service Outputs 2019-20

Total service contacts

268,573

Including:

Legal advice, representation or other direct legal services

110,594

Public legal education presentations

1,283

Public legal education attendees

39,023

Legal information & referral

118,956

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

In addition to the 16 new grants made in 2019-20 in response to the *Bridging the Gaps* funding priorities, the Foundation funded 9 new projects involving youth restorative justice programs, research on environmental law issues, digital library resources and sector network initiatives.

Annual operating grants were renewed for 29 programs, and 2 project grants were renewed in 2019-20.

The Foundation's grantees continue to have a broad reach in helping Albertans achieve access to justice. In 2019-20, over 268,000 Albertans received services including direct legal advice and representation, legal information and referral, and attendance at public legal education seminars across the province.

Although the majority of the programs and projects approved for funding this year involve direct legal services to individuals facing significant barriers in accessing the justice system, the Foundation continues to support legal research and reform initiatives, as well as many legal information and education programs that benefit all Albertans. It is important that our laws are continually updated to reflect the needs of society in the twenty-first century, and that all citizens have an understanding of their rights and obligations under the law.

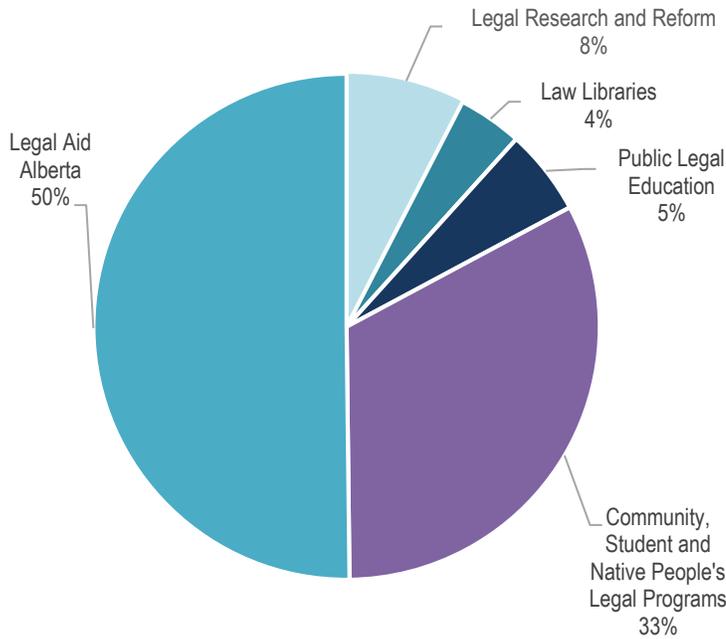
The many programs and services, provided by 38 organizations, are making a difference in the lives of Albertans. This impact is evidenced by the outcomes measurement frameworks that have been developed in conjunction with each program and/or organization, to articulate the intended outcomes and the demonstrated impact of their work.

The COVID-19 pandemic has caused an unprecedented disruption across the world, and stakeholders in the Alberta justice sector responded as swiftly as possible. Grantees have been assured that grant commitments made in 2019-20 will be funded as scheduled, while services are being adapted to accommodate the pandemic-related restrictions affecting our communities.

In Spring 2020, in light of the challenging and continuously changing realities in our sector, the Foundation hosted five virtual COVID-19 response meetings with grantees to learn how they were coping, both personally and professionally, what challenges and successes they were seeing within their organizations, and how the Foundation could support them. Following the success of these meetings, the Foundation has continued hosting a regularly scheduled virtual drop-in coffee hour. This provides individuals working with organizations in communities across the province the opportunity to connect, exchange information and provide support to one another. We are proud of the work our funded organizations have done, and continue to do, to provide these important front-line services to our fellow Albertans during this challenging time.

2019-20 Grant-making Year in Review

2019-20 Funding Allocations

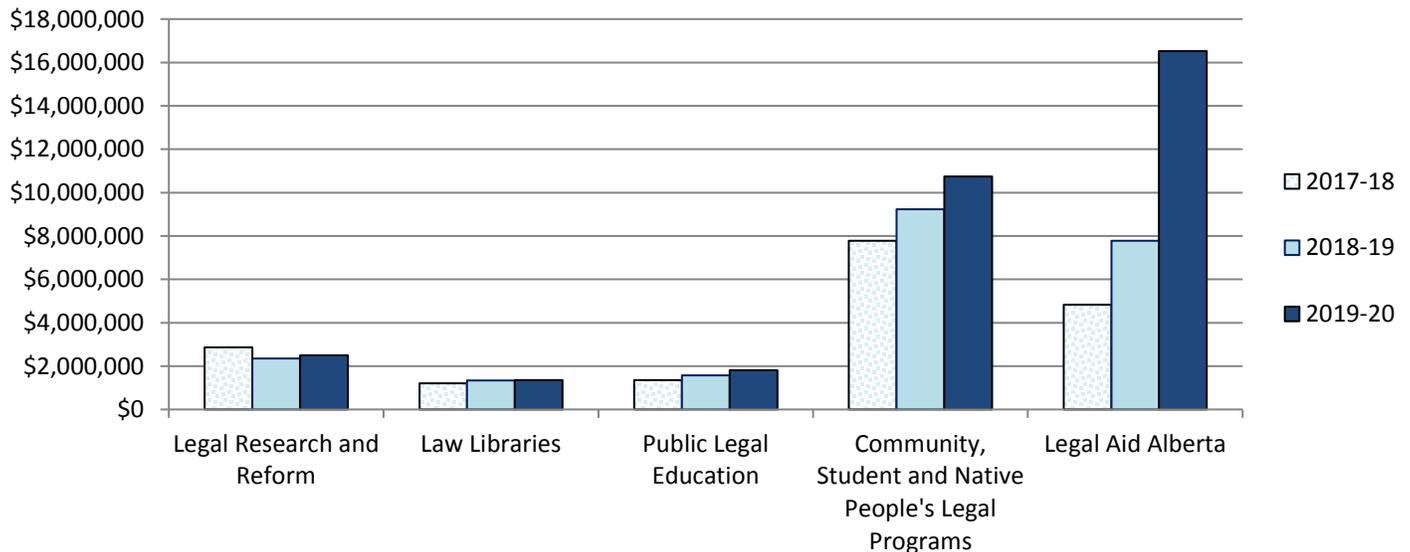


LAA contribution includes a special contribution of \$8.5 million in addition to 25% of IOLTA.

Grants and Contributions

New Applications reviewed	55
New Applications approved	53
26 Operating grants approved	
27 Projects grants approved	
Multi-year grants approved	3
Total grants approved	56
Grants Allocated	\$16.4 million
\$14.1 million in Operating grants	
\$ 2.3 million in Project grants	
Legal Aid statutory contribution	\$8 million
Legal Aid special contribution	\$8.5 million
Total Allocations	\$32.9 million

Funding Allocations 2018-20



2019-20 Grants Awarded by Object

Legal Research and Law Reform

Alberta Civil Liberties Research Centre \$733,220

Provides legal research, publications and education on civil liberties and human rights.

Alberta Law Reform Institute \$835,000

Research into law and the administration of justice and proposing law reform.

Canadian Bar Association, Alberta \$15,000

Legislative Resource Officer & Legislative Review

Canadian Institute of Resources Law \$207,840

Legal research, education and publication activities.

Centre for Constitutional Studies \$404,008

Legal research, publications.

Environmental Law Centre

Regulatory Approaches to Conservation

Funding \$95,200

Water Law \$118,530

The Law and the Sun \$85,620

Law Libraries

Alberta Law Libraries \$1,321,432

Acquisition and maintenance of the Alberta Law Libraries collections.

Canadian Legal Information Institute \$33,000

A project to update citations to Alberta court decisions on CanLII.org.

Public Legal Education & Information

Alberta Seventh Step Society \$223,848

Education in the schools about the criminal justice system from the viewpoint of the ex-offender.

Alberta Worker's Health Centre \$225,000

Work Plays Schools Program

Dramatic presentations to school audiences about Employment and Workplace Health and Safety law

Calgary Chinese Community Services Association

Law & Advocacy Program \$82,608

Provides legal information and referrals, legal clinics, follow-up legal services, Commissioner for Oaths, assistance with wills and estates document drafting and Enduring Powers of Attorney, legal resources and publications.

Calgary Youth Justice Society

Calgary Police Service Youth Justice \$126,552

Awareness Project

Provides education to Calgary Police Service members to increase knowledge, understanding and utilization of Section 18 of the Youth Criminal Justice Act.

Youth Justice Committee Coordination \$91,300

Provides legal education to community volunteers involved with their local Youth Justice Committee, to parents of youth involved in the criminal justice system, and to the general public and community partners to increase understanding of the youth criminal justice system.

Canadian Bar Association, Alberta

Law Day \$35,700

Partial funding for public legal education events held across the province.

Kinbrace Community Society \$26,691

Update, print and distribute Refugee Hearing Preparation: A Guide for Refugee Claimants.

Legal Resource Centre \$636,000

Print and web-based public legal education and information resources; legal referrals and presentations to the public.

Mount Royal University Foundation \$8,600

Project to support the Isstoyitahsinni/Traditional Cultural Expressions & Indigenous Legal Orders Legal Panel on protecting visual sovereignty, design, story & language in decolonizing cultures. Part of [Otahpiaaki 2019: Indigenous Beauty, Fashion & Design Week](#).

Portage College, Public Legal Education \$76,950

Provides public legal information and legal education workshops in North-East Alberta.

Workers' Resource Centre

Public Legal Education Program \$92,944

Provides plain-language educational workshops for marginalized Alberta workers on employment-related rights, obligations and benefits.

Casework Program \$179,944

Provides information, assistance and representation to help vulnerable workers in Alberta access their legislated benefits and entitlements.

Native People's Legal Programs

Native Counselling Services of Alberta

BearPaw Legal Education \$574,776

Developing and delivering Indigenous-focused legal education and information.

Calgary Urban Indigenous Peacemaker Program \$163,332

Supporting resolution alternatives through culturally appropriate peacemaker circles in the Indigenous restorative justice tradition.

Lethbridge Urban Indigenous Peacemaker Program \$162,792

Supporting resolution alternatives through culturally appropriate peacemaker circles in the Indigenous restorative justice tradition.

O'Chiese First Nation \$180,600

Project grant to develop and deliver legal education and information on the O'Chiese Nation.

U of Alberta, Faculty of Law

Indigenous Law Students Association
Speaker Series. \$12,100

Community and Student Legal Assistance

The Alexandra Community Health Centre

Youth Legal Needs Assessment \$80,940

Provision of legal information and referrals to adult and youth clients by a Justice Navigator.

Ambrose University

Canadian Poverty Institute \$50,000

Resources to assist with the planning and execution of initiatives undertaken by the Justice Sector Constellation.

Calgary Legal Guidance \$2,990,000

Volunteer lawyer clinic services; follow-up legal advice and representation; public legal education, information and referral; Homeless Outreach program; Sahwoo Mohkaak Tsi Ma Taas.

Calgary Women's Emergency Shelter Association \$166,552

Provides legal information, assistance and referral to vulnerable women.

Central Alberta Legal Clinic Foundation \$729,804

Volunteer lawyer clinic services; in Central Alberta and through outreach clinics in Medicine Hat, Lloydminster and Fort McMurray; follow-up legal advice and representation; public legal education, information and referral in Central Alberta.

Immigration Law Project \$99,912
Follow-up services to those needing legal advice relating to immigration issues throughout Central Alberta, Medicine Hat, Lloydminster and Fort McMurray.

Central Alberta Women's Outreach Society

Legal Information and Referral Program \$153,628
Provides legal information, assistance and referral in Red Deer and surrounding communities.

Paralegal Support Services Project \$139,488
Provides assistance and legal information to vulnerable individuals regarding legal processes and concerns such as completing court and government forms and procedures, EPOs and family law applications, and assisting individuals dealing with criminal or landlord tenant issues.

Cochrane & Area Victim Services Society \$100,500

Court Advocacy Project
Provides information, referrals and advocacy to victims/witnesses going through the criminal justice system.

Crowsnest Pass Women's Resource and Crisis Centre \$30,360

Provides free legal information, support and referral services to residents of southwestern rural Alberta.

Edmonton Community Legal Centre \$2,198,792

Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral in Edmonton area.

Grande Prairie Legal Guidance \$73,624
Volunteer lawyer clinical services in Grande Prairie.

Elizabeth Fry Society of Calgary

Calgary Adult and Youth Court \$148,068

Provides information on court procedures, processes, options and referrals for individuals attending first and subsequent appearances in criminal or traffic court in Calgary.

Regional Court Project \$93,140

Provides information, referral and support to persons attending courts in Airdrie, Okotoks, Cochrane, Canmore, and Didsbury) in the Adult Criminal Case Management Office, Youth Courts; and Traffic Court in South Region.

Domestic Violence Court Project \$38,284

Provides information on court procedures, processes, options and referrals for individuals attending first and subsequent appearances at the Calgary Domestic Violence Court.

Lethbridge Court Pilot Project \$73,000

Provides information on court procedures, processes, options and referrals for individuals attending first and subsequent appearances in court in Lethbridge.

Regional Court East, Strathmore,
Siksika Pilot Project \$37,004

Provides information on court procedures, processes, options and referrals for individuals attending first and subsequent appearances at court in Strathmore and Siksika First Nation.

Elizabeth Fry Society of Edmonton

Court Programs \$482,688

Provide information on court procedures, processes, options and referrals for individuals attending first and subsequent appearances in Adult Criminal, Youth Criminal and Family Courts in Edmonton and area, Camrose, Wetaskiwin, Ponoka and Red Deer; volunteer lawyer clinic at the Edmonton Institution for Women.

Court Project for McMurray \$82,368

Provides information on court procedures, processes, options and referrals for individuals attending first and subsequent appearances in Adult Criminal, Youth Criminal and Family Courts in Fort McMurray.

Satellite Court Assistance Program
(SCAP) \$105,333

Match accused females with volunteer mentors to assist them through the criminal court process; provide rotating legal clinics and provide additional court support in satellite court locations.

Lethbridge Legal Guidance \$439,076

Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral.

Pro Bono Law Alberta

Partial funding of operations costs for delivery of pro bono legal services. \$221,692

Document Assembly Support Service \$43,440
Project to conduct a needs assessment on the need for a Document Assembly Support Service that would assist self-represented litigants complete civil legal/court documents.

National Pro Bono Conference \$25,140

Student Legal Assistance, U of Calgary \$440,976

Provision of legal information and assistance to the community by law students.

Student Legal Services of Edmonton \$482,135

Provision of legal information and assistance to the community by law students, including Pro Bono Students Canada at the University of Alberta.

U of Calgary, Faculty of Law

Pro Bono Students Canada \$31,125
Coordinates law student volunteers who deliver pro bono legal services under the supervision of volunteer lawyers to communities, organizations and individuals in need.

Women's Centre of Calgary \$47,484

Legal Advice Clinic – Volunteer lawyers provide free, half-hour legal advice sessions to women on matters such as family issues, civil cases, immigration and other types of matters, not including criminal law.

Youth Restorative Action Project \$48,360

Youth Justice Committee Project – support for programming to administer the restorative justice processes of the youth justice committee, including Extrajudicial Sanctions panels and Section 19 conferences, in Edmonton and surrounding rural areas.

2019-20 Financial Results

Revenue

Revenue from interest on lawyers' trust accounts (IOLTA) (\$32 million) and investments (\$3.6 million) in 2019-20 was very similar to revenue from these sources in the prior year. Although average balances in lawyers' pooled trust accounts were down about 10% compared to the prior year, IOLTA revenue was maintained because of consistent interest rates through the year, until March 2020. In the month of March, revenue was impacted by the effects of the coronavirus pandemic, including the 1.5% cumulative interest rate reduction made by the Bank of Canada that month, and the dramatic drop in the financial markets.

2019-20 Funding Allocations

The Foundation Board approved 53 of 54 new grant applications reviewed in 2019-20, compared to 45 of 46 reviewed in 2018-19. In addition, 3 grants conditionally approved in the prior year were allocated in 2019-20. Grant allocations in 2019-20 for programs and projects conducted by non-profit grantees totalled \$16.4 million compared to \$14.5 million in 2018-19 and \$13.2 million in 2017-18.

Legal Aid Allocation

In 2019-20, the Foundation allocated to Legal Aid Alberta \$8 million, equal to the statutory requirement of 25% of IOLTA revenue. In addition, at the request of the Ministry of Justice & Solicitor General, the Foundation committed a special contribution of \$34.4 million to Legal Aid Alberta over three years to enable it to continue with its redesign plan to achieve efficiencies in the legal aid plan and the overall justice system. \$8.5 million of the special contribution was paid to Legal Aid Alberta in March 2020, with the balance payable over the next two years.

The combined statutory and special allocations to Legal Aid Alberta in 2019-20 amounted to 50% of total allocations made by the Foundation in the year.

Net Financial Result

Despite IOLTA and investment revenue similar to the prior year, the Foundation ended the 2019-20 fiscal year with a loss of \$1.1 million. This loss was attributable to:

- planned increases in grant allocations;
- the first instalment of the special contribution to Legal Aid Alberta; and
- unrealized losses on the Foundation's investment portfolio, primarily due to the impact of the coronavirus pandemic.

Fiscal Outlook & Response for 2020-21

In view of the coronavirus pandemic and the impact of the fiscal responses and economic contraction flowing from it, the Foundation anticipates that the next year or more will be very challenging. Although it is impossible to predict the duration and severity of these impacts, interest rates are anticipated to remain at historic lows for some time. The residential real estate market in Alberta has already experienced a dramatic decline, with the dollar volume of residential resales falling 60% in April 2020 compared to the same month in 2019. As we believe that residential real estate transactions account for a large portion of the funds held in lawyers' pooled trust accounts, average balances in these accounts will likely fall by a similar amount over the next few months, but may recover somewhat near the end of 2020 and into 2021.

Based on a projected decline in average trust balances of 30-40% over the 2020-21 fiscal year, and no change in interest rates, the Foundation projects that IOLTA revenue for 2020-21 could be 85% lower than in fiscal 2019-20. This precipitous decline is similar to that experienced between 2008 and 2010 when the world was dealing with the financial crisis of 2009. As we emerge from the effects of the coronavirus pandemic, we anticipate interest rates will remain low and average trust balances will continue to be at levels approximately 30% below what they were in 2019-20, with the result that IOLTA revenue is expected to remain very low for the next two to three years.

To maximize IOLTA revenue, the Foundation continues to work with financial institutions, the Law Society of Alberta and individual law firms to enhance its interest and fee arrangements on lawyers' pooled trust accounts, and processes for monitoring trust account compliance.

The Foundation has been able to manage the IOLTA income stream over the last four decades to provide stable funding for organizations whose mandates are aligned with the Foundation's objects and priorities. This has been accomplished by maintaining a reserve to draw on when annual revenues are low. Even with this reserve, the Foundation will be challenged to maintain the momentum gained over the last few years to continue supporting ongoing programs and promising new initiatives. The new economic reality is that all of us will need to find innovative strategies to accomplish our goals with fewer resources over the coming years.

The strategic plan of the Foundation for 2020-23 is being developed with this reality in mind. Our primary goal continues to be to invest Foundation resources in sustainable and effective initiatives that have a demonstrable impact for Albertans navigating the justice system. To complement the grant-making program, the Foundation will also continue to foster greater collaboration and communication in the justice sector to ensure the efficient utilization of sector resources.

ALBERTA LAW FOUNDATION

Statement of Financial Position

March 31, 2020, with comparative information for 2019

	2020	2019
Assets		
Current assets:		
Cash	\$5,223,192	\$3,961,468
Accrued interest - bank accounts	7,987	7,455
Interest receivable:		
Lawyers' pooled trust accounts	2,048,029	2,747,771
Undisbursable trust balances receivable	-	167,611
Prepaid expenses	11,636	7,713
	7,290,844	6,892,018
Investments	101,352,111	100,744,330
	\$108,642,955	\$107,636,348
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$86,303	\$79,140
Grants payable	14,499,744	12,656,630
Payable to Legal Aid Alberta ("LAA")	8,022,453	7,774,818
	22,608,500	20,510,588
Net Assets:		
Grant stabilization fund	45,000,000	45,000,000
Strategic reserve fund	12,100,000	37,500,000
Designated for future year grants	1,383,524	2,776,012
Special contribution to LAA for future years	25,900,000	-
Unrestricted	1,650,931	1,849,748
	86,034,455	87,125,760
	\$108,642,955	\$107,636,348

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, 2020, with comparative information for 2019

	2020	2019
Revenues:		
Interest earned on lawyers' pooled trust accounts	\$ 32,089,811	\$ 31,099,272
Investment Income	3,559,816	3,506,374
Undisbursable trust balances from Law Society of Alberta	233,166	167,610
	<u>35,882,793</u>	<u>34,773,256</u>
Expenses:		
Salaries	649,850	571,449
Investment advisory fee	252,821	218,503
Rent and parking	79,160	80,286
Travel and meetings	41,122	47,247
Computing and web services	31,879	29,844
General administration	21,255	23,253
Professional fees	21,071	20,223
Insurance	10,842	10,761
Community engagement	6,969	3,340
Contract fees	5,685	13,854
	<u>1,120,654</u>	<u>1,018,486</u>
Allocation to Legal Aid Alberta	8,022,453	7,774,818
Excess of revenues over expenses before grant allocations	<u>26,739,686</u>	<u>25,979,952</u>
Deduct:		
Project grant allocations	2,287,778	1,207,678
Program grant allocations	14,113,722	13,295,948
Total grant allocations	<u>16,401,500</u>	<u>14,503,626</u>
Add:		
Grant refunds	427,830	484,742
Allocations withdrawn	8,079	159,235
	<u>435,909</u>	<u>643,977</u>
Net grant allocations:	<u>15,965,591</u>	<u>13,859,649</u>
Excess of revenues over expenses before unrealized loss on investments and LAA special contribution	10,774,095	12,120,303
Change in unrealized (loss) gain on investments	(3,365,400)	1,683,560
Legal Aid Alberta special contribution current year	(8,500,000)	-
(Deficiency) excess of revenues over expenses	<u>\$ (1,091,305)</u>	<u>\$ 13,803,863</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.

ALBERTA LAW FOUNDATION

Statement of Changes in Net Assets

Year ended March 31, 2020, with comparative information for 2019

	Unrestricted	Designated for Future Year Grants	Special contribution to LAA for future years	Grant Stabilization Fund	Strategic Reserve Fund	2020 Total	2019 Total
Balance, beginning of year	\$1,849,748	\$2,776,012	\$ -	\$45,000,000	\$37,500,000	\$87,125,760	\$73,321,897
(Deficiency) excess of revenue over expenses	(1,091,305)	-	-	-	-	(1,091,305)	13,803,863
Internally designated transfer to unrestricted	2,496,264	(2,496,264)	-	-	-	-	-
Internally designated transfer from unrestricted	(1,103,776)	1,103,776	-	-	-	-	-
Internally designated transfer	8,500,000	-	-	-	(8,500,000)	-	-
Internally designated transfer	-	-	25,900,000	-	(25,900,000)	-	-
Internally designated transfer	(9,000,000)	-	-	-	9,000,000	-	-
Balance, end of year	\$1,650,931	\$1,383,524	\$25,900,000	\$45,000,000	\$12,100,000	\$86,034,455	\$87,125,760

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 Cash Flows

Year ended March 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operations:		
(Deficiency) excess of revenue over expenses	\$(1,091,305)	\$ 13,803,863
Items not involving cash:		
Change in unrealized loss (gain) on investments	3,365,400	(1,683,560)
Net realized loss on sale of investments	454,797	177,600
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	7,163	(2,027)
Grants payable	1,843,114	1,411,332
Payable to Legal Aid Alberta	247,635	2,951,920
Interest receivable - lawyers' pooled trust accounts	699,742	(271,293)
Accrued interest - bank accounts	(532)	(2,413)
Undisbursable trust balances receivable	167,611	(167,610)
Prepaid expenses	(3,923)	447
	5,689,702	16,218,259
Investments:		
Purchase of investments	(36,291,711)	(37,901,546)
Proceeds from disposal of investments	31,863,733	21,287,165
	(4,427,978)	(16,614,381)
Increase (decrease) in cash	1,261,724	(396,122)
Cash, beginning of year	3,961,468	4,357,590
Cash, end of year	\$ 5,223,192	\$ 3,961,468

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

#980, 105 - 12 Avenue SE
Calgary, AB T2G 1A1

Tel: 403-264-4701

www.albertalawfoundation.org