

Alberta **LAW**
FOUNDATION

48TH

Annual Report

FISCAL YEAR ENDED
MARCH 31, 2021

2021

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, term ended May 2021)

**Monica Kreiner, M. Ed.,
C. Med.**
Grande Prairie
(appointed by the Minister of Justice & Solicitor General, term ended May 2021)

Cindy Lang, LLB
Edmonton
(appointed by the Minister of Justice & Solicitor General, term ended May 2021)

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

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

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

Aleem Dhanani, BComm, MBA, ICD.D
Calgary
(appointed by the Minister of Justice & Solicitor General, June 2021)

Kevin Mark, LLB
Edmonton
(appointed by the Minister of Justice & Solicitor General, June 2021)

Seun Ogunsola, MBA
Calgary
(appointed by the Minister of Justice & Solicitor General, June 2021)

The 2020-21 year can be summed up in one word: COVID. The coronavirus pandemic was declared just two weeks prior to the start of our fiscal year, and the world shut down for a number of months. As we adjusted to our new reality of working from home and social distancing, we quickly learned how to maintain meaningful connections with our team, our grantees and other stakeholders.

In June 2020 we developed our 3-year strategic plan, which was approved by the Board in October 2020. It was timely to create this plan at the start of what was obviously going to be difficult times, with two goals focused on being a resource and community convener for the sector, and fostering a culture of inclusivity, communication and collaboration.

Just as most of the world did, the Foundation shifted gears to operate on a remote basis for the entire year at both the staff and the Board level. The regularization of video conferencing to maintain connections enabled a quick and easy shift to continuing our Bridging the Gaps initiative, bringing together grantees to discuss sector issues, and to initiating our regular virtual “coffee time” with grantees who were interested in informal conversations with those in their sector. Thank you to all those who continue to participate.

I want to take this opportunity to acknowledge the resilience of our staff and our grantees. It was not an easy task to operate remotely, and many grantees had to shut down their services temporarily at the beginning of the pandemic. We were in regular contact with our grantees and made every effort to support them in making the necessary adjustments to continue operations. We are hopeful that the Foundation’s timely publication of the results of our “Remote Legal Service Delivery” research project will provide both meaningful guidance to grantees who may be required to continue operating on a partially or fully remote basis into the future, and reinforce best practices already followed by service providers in Alberta.

With the anticipated drastic reduction in revenue from interest on lawyers’ trust accounts since March 2020, we are thankful that grant applicants were mindful of this, and responded by showing fiscal restraint in their funding requests over the past year. This has assisted the Foundation in managing our lower revenues and remaining reserves over the current and coming years.

The Foundation’s Board saw the departure of three members in May 2021. Thank you to our two community representatives - Karen Gallagher-Burt and Monica Kreiner, and to the Minister’s representative, Cindy Lang, for their service to the Foundation for two 2-year terms. Their contribution to the Foundation has left a meaningful legacy on which the organization can continue to build. Following these departures, we welcomed three new directors appointed by the Minister of Justice & Solicitor General: community representatives, Seun Ogunsola and Aleem Dhanani, and the Minister’s representative, Kevin Mark.

We look forward to continuing our work with grantees and stakeholders who make such meaningful contributions to the Foundation’s vision of Accessible Justice for All Albertans.

Staff

Deborah Duncan
Executive Director

Kate Henry
*Director of Finance &
Administration*

Janet Kerrigan
Program Director

Diana Porter
Administrative Assistant

Flora Stevenson
*Research & Community
Engagement Coordinator*

Kristen Seipp
Grants Coordinator
(started Aug 2020)

Carmen Wyatt
Grants Coordinator
(until June 2020)

Harry Chen
Data Analyst
(Sept – Dec 2020)

Our Vision

Accessible Justice for all Albertans

Our Mission

Advance access to justice by supporting collaboration and innovation in the delivery of legal services and the administration of justice 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 Plan and Goals – 2020-23

In 2020, the Foundation undertook a strategic planning session to update the goals and priorities for our work within the justice sector.

GOAL 1

Invest in sustainable and effective initiatives that have a demonstrable impact for Albertans navigating the justice system in Alberta.

OUTCOME STATEMENT

ALF will optimize its resources to support programs and projects that align with its mission and have proven results in helping Albertans access justice.

Priorities

1. Continue to pursue best practices in grant-making
2. Invest in proficient, skilled staff who have expertise in resource investment and relationship-building
3. Use data-gathering, needs-assessment and prioritization processes to make sound decisions

GOAL 2

Build sector capacity by being a resource and community convener in the justice sector.

OUTCOME STATEMENT

ALF will employ its uniquely broad perspective of the justice sector to enhance knowledge through research and facilitating the sharing of information.

Priorities

1. Mobilize spaces for conversations and bring communities together
2. Conduct and support research
3. Build on and enhance the Bridging the Gaps initiative

GOAL3

Demonstrate leadership through a culture of inclusivity, communication and collaboration.

OUTCOME STATEMENT

ALF will continue to build connections with key stakeholders, and engage them in meaningful dialogue related to shared interests in access to justice for Albertans.

Priorities

1. Develop and implement robust and consistent communication practices to facilitate increased stakeholder engagement
2. Model inclusivity, good governance, trust and collaboration between staff and the Board through all work processes
3. Foster trust and respect through external relationship-building



135,780

135,780 Albertans contacted ALF funded organizations across the province seeking assistance with their legal issue or looking to learn more about legal services in Alberta.



21,218

Over 21,000 Albertans attended more than 746 Public Legal Education presentations to increase their legal knowledge.



35,415

Legal advice, representation and other direct legal services were provided to 35,415 Albertans enabling them to gain knowledge of the legal system, their rights and responsibilities and what to do or not do to solve their legal problems.



18,626

18,626 Albertans accessed Legal Information and Referral services to understand more about community legal resources and steps they can take to feel more in control in dealing with their legal issues.

Our Grantees' Work & Impact

For most of us, the past year has presented many unique challenges and opportunities. The Foundation would like to thank all our grantees, their staff, volunteers and stakeholders for their dedication and perseverance.

In March 2020, the Foundation assured stakeholders that all grant commitments made in 2019-20 would be honoured. We have done that. In 2020-21, the Foundation continued its commitment to support high impact programming across the province, allocating funding for 43 programs and projects.

In addition to grant funding, the Foundation staff have worked hard to support grantees in meeting the challenges arising during the pandemic by facilitating space for sharing and conversation amongst organizations, providing flexibility with programming and budgeting, allowing grantees to adapt their service delivery as needed to meet the rapidly changing needs of their communities and the sector.

The closure of many offices and restricted access to courthouses in the spring of 2020 required justice stakeholders to pivot and find alternative ways to keep the wheels of justice turning. The majority of grantees successfully transitioned to providing virtual services to Albertans throughout the pandemic. Client service numbers were generally lower than in prior years, as service providers had to restructure and they and their potential clients coped with the general disruptions and restrictions brought about by the pandemic. By the summer of 2020, the implementation of modified services ensured the continued availability of access to legal information, advice and assistance to vulnerable Albertans during this difficult time. In addition to direct client service delivery, important legal sector research continued, largely undisrupted by the pandemic.

Although service numbers were down, the outcomes for clients served by grantee organizations in the last year remained strong and, in some cases, showed improvement as a result of modified service delivery methods.

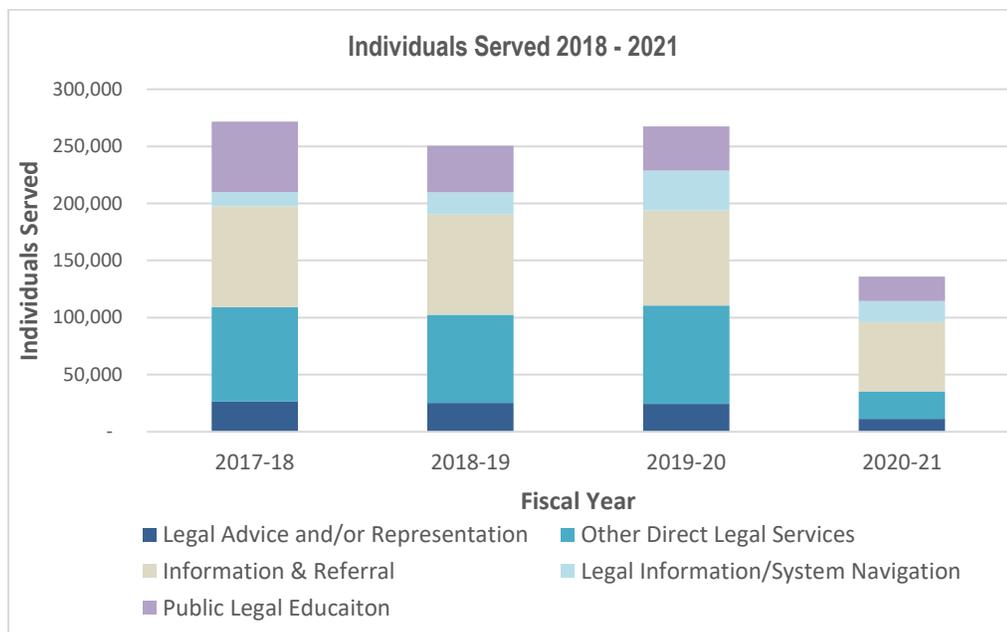
One silver lining emerging from the past year is that many of the strategies adopted by Alberta-based legal service providers during the pandemic have opened up new opportunities to continue to enhance legal service delivery and access to justice into the future.

We look forward to continuing to work with our grantees and stakeholders to find innovative ways to respond to the legal needs of the community in the coming year.

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.

Grantee Service and Impact Numbers – A Deeper Dive

As expected, client service numbers have been greatly impacted by the pandemic and the shift in service delivery methods. Some of the reasons we have heard for the reduction in client service include closures or restricted access to the courts and to schools, technological and staffing limitations to providing and accessing virtual services, reduction of outreach clinics reaching clients on-site at other service providers' offices, and a reduction of referrals from other community partners. We also saw a shift in the nature of services provided to clients in the past year. More clients are requiring and receiving more intensive service, evidenced by the time and effort committed by volunteers and staff providing the service, and the layering of multiple legal issues complicated by external circumstances unrelated to the legal problem.



Over the last few years, the Foundation has shifted its funding priorities in response to feedback gathered from our stakeholders. This shift is evident in the grantee outputs. Most notably, there has been a reduction in the number of public legal education (PLE) sessions and participants over the past five years as funding for some programming focused solely on PLE delivery was reduced over that time. The number of individuals receiving direct legal services, including legal advice and representation, as well as legal information, system navigation and referral has remained relatively steady until this past year.

For the past several years, the community legal clinics funded by the Foundation have been evaluating the outcomes of their summary legal advice provided through volunteer lawyers. Feedback from clients is obtained immediately after their clinic appointment and two months after.

Data over the past 3 years shows outcomes for clients in the very short term have been consistent, and outcomes 2 months after service are improving. Despite the fact that fewer clients were able to be served during the pandemic, the impact for those who were served has been sustained. ALF is committed to continue utilizing evidence-based impact assessments to ensure the programs it funds and supports are providing an impact and responding to the most pressing needs of the community at this time, and into the future.

Community Legal Clinic Summary Advice Client Outcomes 2018 to 2020

Client Outcome	% of clients who agree or strongly agree immediately after clinic			% of clients who agree or strongly agree 2 months later		
	2018	2019	2020	2018	2019	2020
Better understanding of legal rights and responsibilities	91.8	92.4	90.9	80	77.8	87.4
Better understanding of legal options	92.8	94.4	92	80	81	84.4
Better understanding of pros and cons of legal options	90.2	92.2	90.5	76	77.2	81.6
Know what to do next	91.1	93.8	89.4			
% who followed all or some of the advice received				80	77.2	80

Bridging the Gaps

The *Bridging the Gaps* initiative was established in January 2018 to help ascertain unmet legal needs in Alberta to guide the Foundation's grant-making. Since then, the initiative has brought 41 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 the Foundation. In 2020-21, the *Bridging the Gaps* group focused on conversations about challenges and successes of the transition to remote legal services during the pandemic.

Information Exchange The Foundation facilitated four online meetings with groups of grantees from April to May 2020 to learn about how they are coping (personally and professionally) with the pandemic, what challenges and successes they are seeing in their organization, and how the Foundation could help. Grantees continued to meet on a regular basis during virtual "coffee time" throughout 2020-21.

Responding to Stakeholder Needs *Bridging the Gaps* participants expressed their interest in a research project and learning opportunities about remote legal service delivery.

Research Surveys and interviews with justice stakeholders in Canada and the US were conducted to learn about their experience with remote legal service delivery. Extensive research about challenges and best practices in remote legal service delivery was developed.

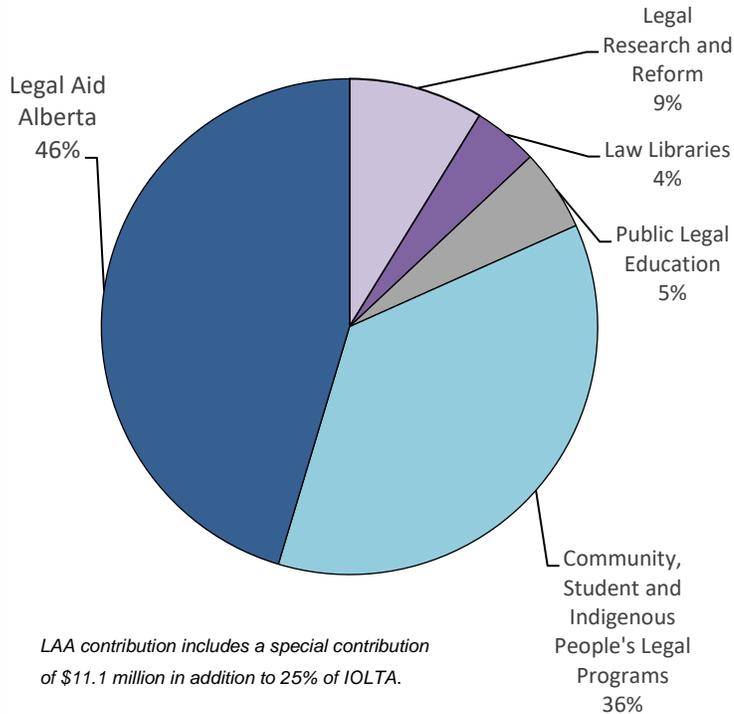
Sharing Promising Practices A workshop series took place in March and April 2021:

- Best Practices in Remote Legal Service Delivery in the USA with Pro Bono Net (March 10)
- Building on Innovation and Lessons Learned during the Pandemic (March 16)
- Conversation with the CBA COVID-19 Task Force (April 15)
- Resources and Lessons from Public Legal Education and Information Providers in Alberta (April 21)

All feedback and research findings were included in the Final Report: [Remote Legal Services to Low-Income Albertans: Challenges and Best Practices](#), which was published in July 2021. The Foundation acknowledges and is grateful for the contribution of all stakeholders involved in this research project. We hope this report will help reinforce best practices already in place in Alberta, highlight remote legal service delivery projects across Canada and the US, and provide some ideas to further improve remote legal service delivery in Alberta.

2020-21 Grant-making Year in Review

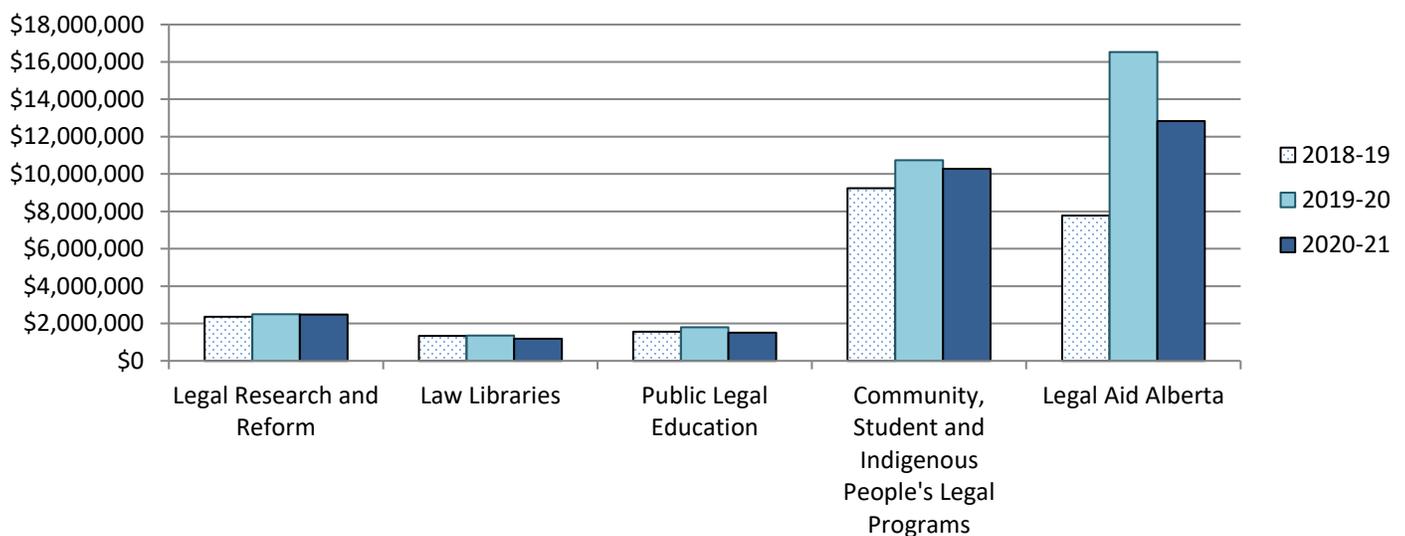
2020-21 Funding Allocations



Grants and Contributions

Applications reviewed	44
Applications approved	36
24 Operating grants approved	
12 Projects grants approved	
Multi-year grants approved	7
4 Operating grants approved	
3 Project grants approved	
Total grants approved	43
Grants Allocated	\$15.45 million
\$13.56 million in Operating grants	
\$ 1.89 million in Project grants	
Legal Aid statutory contribution	\$1.73 million
Legal Aid special contribution	\$11.1 million
Total Allocations	\$28.28 million

Funding Allocations 2019-21



2020-21 Grants Awarded by Object

Legal Research and Law Reform

Alberta Civil Liberties Research Centre \$714,340

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 \$208,024

Legal research, education and publication activities.

Centre for Constitutional Studies \$394,016

Legal research, publications.

Environmental Law Centre

Pollution Releases & Contaminated Sites \$91,120

Regulation in Alberta

Canadian Constitution & Environmental Conflicts \$226,230

Law Libraries

Alberta Law Libraries \$1,191,000

Acquisition and maintenance of the Alberta Law Libraries collections.

Public Legal Education & Information

Alberta Seventh Step Society \$142,684

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

Alberta Worker's Health Centre

Work Plays Schools Program \$225,000

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

Diversecities Community Service Association

Law & Advocacy Program \$78,400

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

Youth Justice Committee Coordination \$85,472

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.

Legal Resource Centre \$625,500

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

Portage College, Public Legal Education \$74,200

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

Workers' Resource Centre

Public Legal Education Program \$92,940

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

Casework Program \$179,696

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

Indigenous People's Legal Programs

Native Counselling Services of Alberta

BearPaw Legal Education \$536,108
Developing and delivering Indigenous-focused legal education and information.

Calgary Urban Indigenous Peacemaker Program \$148,388
Supporting resolution alternatives through culturally appropriate peacemaker circles in the Indigenous restorative justice tradition.

O'Chiese First Nation \$142,852
Project grant to develop and deliver legal education and information on the O'Chiese First Nation.

U of Alberta, Faculty of Law
Indigenous Law Students Association
Speaker Series. \$9,200

U of Alberta, Wahkohtowin Law & Governance Lodge \$302,000
A partnership between the University of Alberta Faculties of Law and Native Studies, housed within the Faculty of Law. The purpose of WLGL is to establish and maintain a sustainable community-engaged, inter-disciplinary unit that will: support Indigenous communities' goals to identify, articulate, and implement their own laws and governance; develop, gather, amplify and transfer wise practices, promising methods and research tools; and produce useful and accessible public legal education and practical governance resources.

Community and Student Legal Assistance

The Alexandra Community Health Centre

Youth Legal Needs Assessment \$81,000
Provision of legal information and referrals to adult and youth clients by a Justice Navigator.

Calgary Legal Guidance \$2,800,000
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 \$166,284
Project supports the families affected by family violence and abuse to navigate the legal system and helps to prevent their disenfranchisement from that system.

Central Alberta Legal Clinic Foundation \$768,008

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 \$101,080
Follow-up services to those needing legal advice relating to immigration issues throughout Central Alberta, Medicine Hat, Lloydminster and Fort McMurray.

Alberta Rural Legal Assistance Initiative 2020-21 \$124,664

Alberta Rural Legal Assistance Initiative 2021-22 \$155,084
An extension to CALCF's Follow-Up Program, providing services to the rural and remote sites in Central Alberta, Medicine Hat, Fort McMurray, Lloydminster and surrounding areas.

Central Alberta 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 \$129,392
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.

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 \$2,191,864

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

Grande Prairie Legal Guidance \$76,000
Volunteer lawyer clinical services in Grande Prairie.

Elizabeth Fry Society of Calgary

Calgary Adult and Youth Court \$150,044

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.

Elizabeth Fry Society of Northern Alberta

Court Programs \$472,480

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.

Lethbridge Legal Guidance \$406,240

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

Pro Bono Law Alberta \$221,692

Partial funding of operations costs for delivery of pro bono legal services.

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 \$457,052

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 \$30,340

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

Legal Advice Clinic \$47,484

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

Youth Justice Committee Project \$37,800

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.

2020-21 Financial Results

Revenue

Revenue from Interest on lawyers' pooled trust accounts (IOLTA) in 2020-21 (\$6.9 million) was 78% lower than the prior year. This was almost entirely due to the reductions in interest rates implemented by the Bank of Canada in March 2020. Although the average balance in lawyers' pooled trust accounts through 2020-21 was similar to the average balance in 2019-20, the effective rate of interest paid by financial institutions on these accounts fell from 1.66% to 0.34%.

The Foundation has been working with financial institutions and the Law Society of Alberta over the last three years to verify that interest is being paid correctly on all pooled trust accounts in Alberta. A significant number of accounts have been identified as non-compliant and we are working with law firms and financial institutions to correctly record these accounts as pooled trust accounts and recover any unpaid interest. The IOLTA for 2020-21 includes \$137,000 of back interest received from Royal Bank of Canada, and we anticipate receiving additional back interest from other financial institutions in the coming year.

Investment revenue in 2020-21 (\$5.9 million) was 67% higher than in 2019-20, which helped increase total revenue in a year of very low IOLTA revenue. Taking into account other income including undisburseable trust monies from the Law Society of Alberta and other revenue from COVID-related wage subsidies and a *cy-pres* award from a class action lawsuit, total revenue for 2020-21 was \$13.6 million, down 62% from 2019-20.

2020-21 Grant Allocations

The Foundation board approved 36 of 44 grant applications reviewed in 2020-21, compared to 54 of 56 applications reviewed in 2019-20. In addition, 7 multi-year grants conditionally approved in the prior year were allocated in 2020-21. The total amount allocated in 2020-21 for programs and projects conducted by non-profit grantees was \$15.5 million, a decrease of approximately \$1 million from the prior year. The reduction in grant allocations was achieved partly by applicants exercising restraint in their funding requests brought forward in 2020-21. Some of the reduction was due to the Foundation board declining to renew certain project grants that had been awarded in 2019-20, in view of the drastic reduction in revenue experienced this year.

Legal Aid Allocation

In 2020-21, the Foundation allocated to Legal Aid Alberta \$1.7 million, equal to the statutory requirement of 25% of IOLTA revenue, which will be paid in the Foundation's 2021-22 fiscal year.

In 2019-20, 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. Of this commitment, \$8.5 million had been paid in 2019-20.

In 2020-21 the amount of \$11.1 was paid to Legal Aid Alberta as a special contribution.

The combined statutory and special allocations to Legal Aid Alberta in 2020-21 amounted to 46% of total allocations made by the Foundation in the year.

Since 1991, the Foundation has contributed over \$160 million to support the costs of the legal aid program operated by Legal Aid Alberta.

Net Financial Result

The Foundation's net financial result at the end of March 2021 was a loss of \$10 million compared to a loss of \$1 million in the prior year.

Total reserves of the Foundation decreased by \$10 million in 2020-21. Current reserves of \$76 million include \$45 million in the Grant Stabilization Fund to sustain continuing operating grants and \$12 million in the Strategic Reserve Fund to meet new strategic funding opportunities or to top up the Grant Stabilization Fund as it is expected to be partially depleted over the coming years. The balance of the reserve was set aside to fund multi-year grants conditionally approved in 2020-21, and to meet any remaining special commitment to Legal Aid Alberta to March 2022.

Interest Rate Environment

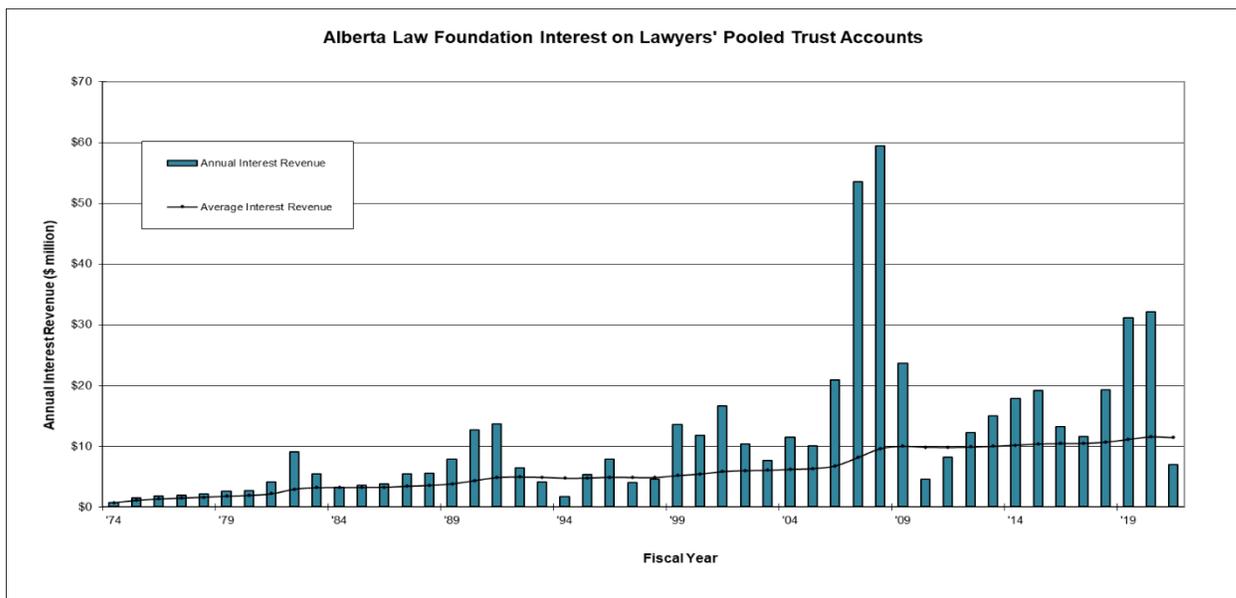
The last fiscal year has been challenging for the Foundation, with interest rates at historical lows. We appreciate those financial institutions that have maintained relatively competitive interest rates on lawyers' pooled trust accounts (notably BMO, Canadian Western Bank, RBC and the Alberta Credit Unions). There remain some outlier financial institutions that offer less competitive interest rates (notably ATB and HSBC) and we will continue conversations with them over the coming months. We thank the members of the legal profession who choose financial institutions that provide competitive rates, as this helps to sustain the Foundation's primary revenue stream, enabling us to support more programs and initiatives that advance access to justice in Alberta.

Fiscal Outlook & Response for the Future

The Foundation has developed a forecast for revenue and expenses to March 2025, which is updated quarterly as new information is obtained. Based on messaging from the Bank of Canada, we anticipate that interest rates will remain at current low levels until near the end of 2022. Even if the average balance of trust accounts across the province is maintained over the next two fiscal years, IOLTA revenue is expected to continue to be depressed as a result of low interest rates. Our forecasts assume a gradual rise in interest rates over 2023-24 and 2024-25, but it is unlikely they will reach pre-pandemic levels before March 2025.

It will therefore be necessary for the Foundation to take a long-term conservative approach to its grant-making. With reduced annual IOLTA revenue, the Foundation will need to draw down reserves over the next four years to meet payments to Legal Aid Alberta and sustain total grants at a level close to 2020-21. As was done in earlier periods of low interest rates, the Foundation is undertaking a review of its grant portfolio to identify programs and projects that advance the objects of the Foundation and provide the most demonstrable impact at a reasonable cost. To be able to maintain funding for impactful programs, the Foundation will likely have to reduce funding to other programs or eliminate funding in some cases.

As is evident in the graph below, the Foundation's revenue from lawyers' pooled trust accounts remains highly volatile and also unpredictable. This funding source is also highly cyclical, roughly following the typical 4 or 5-year business cycle. In prosperous times, the Foundation has been able to accumulate reserves that have been used to sustain grants during economic downturns. The negative economic impact of the coronavirus pandemic may differ from previous business cycles and produce a longer period of low interest rates and reduced economic activity resulting in a prolonged period of low IOLTA revenue for the Foundation. The Foundation board is highly cognizant of this possibility and will be closely monitoring economic conditions and its grant portfolio over the coming years to ensure that the Foundation remains a sustainable funding source for programs and projects that make the greatest difference in achieving accessible justice for vulnerable Albertans.



ALBERTA LAW FOUNDATION

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash	\$2,664,471	\$5,223,192
Accrued interest - bank accounts	1,003	7,987
Interest receivable:		
Lawyers' pooled trust accounts	705,847	2,048,029
Prepaid expenses	11,843	11,636
	3,383,164	7,290,844
Investments	88,288,788	101,352,111
	\$91,671,952	\$108,642,955
Liabilities and Net Assets		
Accounts payable and accrued liabilities	\$75,752	\$86,303
Grants payable	13,729,340	14,499,744
Payable to Legal Aid Alberta ("LAA")	1,732,199	8,022,453
	15,537,291	22,608,500
Net Assets:		
Grant stabilization fund	45,000,000	45,000,000
Strategic reserve fund	12,100,000	12,100,000
Designated for future year grants	2,280,712	1,383,524
Special contribution to LAA for future years	14,800,000	25,900,000
Unrestricted	1,953,949	1,650,931
	76,134,661	86,034,455
	\$91,671,952	\$108,642,955

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, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Interest earned on lawyers' pooled trust accounts	\$ 6,928,793	\$ 32,089,811
Investment Income	5,938,975	3,559,816
Undisbursable trust balances from Law Society of Alberta	485,215	233,166
Other revenue	216,437	-
	13,569,420	35,882,793
Expenses:		
Salaries	679,633	649,850
Investment advisory fee	235,212	252,821
Rent and parking	80,585	79,160
Computing and web services	41,255	31,879
Contract fees	31,826	5,685
Professional fees	22,900	21,071
General administration	14,333	21,255
Insurance	10,885	10,842
Travel and meetings	-	41,122
Community engagement	-	6,969
	1,116,629	1,120,654
Allocation to Legal Aid Alberta	1,732,199	8,022,453
Excess of revenues over expenses before grant allocations	10,720,592	26,739,686
Deduct:		
Project grant allocations	1,893,706	2,287,778
Program grant allocations	13,558,076	14,113,722
Total grant allocations	15,451,782	16,401,500
Add:		
Grant refunds	353,981	427,830
Allocations withdrawn	62,485	8,079
	416,466	435,909
Net grant allocations:	15,035,316	15,965,591
(Deficiency) excess of revenues over expenses before unrealized gain (loss) on investments and LAA special contribution	(4,314,724)	10,774,095
Change in unrealized gain (loss) on investments	5,514,930	(3,365,400)
Legal Aid Alberta special contribution current year	(11,100,000)	(8,500,000)
Deficiency of revenues over expenses	\$ (9,899,794)	\$ (1,091,305)

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, 2021, with comparative information for 2020

	Unrestricted	Designated for Future Year Grants	Special contribution to LAA for future years	Grant Stabilization Fund	Strategic Reserve Fund	2021 Total	2020 Total
Balance, beginning of year	\$1,650,931	\$1,383,524	\$25,900,000	\$45,000,000	\$12,100,000	\$86,034,455	\$87,125,760
Deficiency of revenue over expenses	(9,899,794)	-	-	-	-	(9,899,794)	(1,091,305)
Internally designated transfer to unrestricted	1,383,524	(1,383,524)	-	-	-	-	-
Internally designated transfer from unrestricted	(2,280,712)	2,280,712	-	-	-	-	-
Internally designated transfer	11,100,000	-	(11,100,000)	-	-	-	-
Balance, end of year	\$1,953,949	\$2,280,712	\$14,800,000	\$45,000,000	\$12,100,000	\$76,134,661	\$86,034,455

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ALBERTA LAW FOUNDATION

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Deficiency of revenue over expenses	\$(9,899,794)	\$(1,091,305)
Items not involving cash:		
Change in unrealized (gain) loss on investments	(5,514,930)	3,365,400
Net realized (gain) loss on sale of investments	(800,024)	454,797
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(10,551)	7,163
Grants payable	(770,405)	1,843,114
Payable to Legal Aid Alberta	(6,290,254)	247,635
Interest receivable - lawyers' pooled trust accounts	1,342,183	699,742
Accrued interest - bank accounts	6,984	(532)
Undisbursable trust balances receivable	-	167,611
Prepaid expenses	(207)	(3,923)
	(21,936,998)	5,689,702
Investments:		
Purchase of investments	(12,290,371)	(36,291,711)
Proceeds from disposal of investments	31,668,648	31,863,733
	19,378,277	(4,427,978)
(Decrease) increase in cash	(2,558,721)	1,261,724
Cash, beginning of year	5,223,192	3,961,468
Cash, end of year	\$ 2,664,471	\$ 5,223,192

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