

Alberta **LAW**  
**FOUNDATION**

Thirty-Seventh

**Annual Report**  
**2010**

Fiscal Year Ended March 31<sup>st</sup>

## Report from the Chair

I am pleased to provide the 37<sup>th</sup> Annual Report of the Alberta Law Foundation, for the fiscal year ended March 31, 2010. The Foundation's mandate is to fund programs and projects in the areas of legal research and law reform; law libraries; public legal education; student, native peoples' and similar legal programs; and to make an annual allocation to Legal Aid Alberta. The financial highlights of the year are as follows:

	<u>2010</u>	<u>2009</u>
Revenue		
Interest received on lawyers' general trust accounts	\$ 4,552,112	\$23,672,550
Income earned from investments	3,198,387	4,131,814
Unclaimed trust balances from Law Society of Alberta	<u>101,037</u>	<u>44,849</u>
	7,851,536	27,849,213
Less:		
Expenses	712,496	636,968
Allocation to Legal Aid Alberta	1,138,028	5,918,137
Grant allocations, net of refunds and adjustments	<u>12,917,413</u>	<u>13,479,918</u>
Excess (deficiency of revenue over expenses before unrealized gains (losses))	(6,916,401)	7,814,190
Change in unrealized gain (loss) on investments	<u>7,895,140</u>	<u>(7,095,690)</u>
	<u>\$ 978,739</u>	<u>\$ 718,500</u>

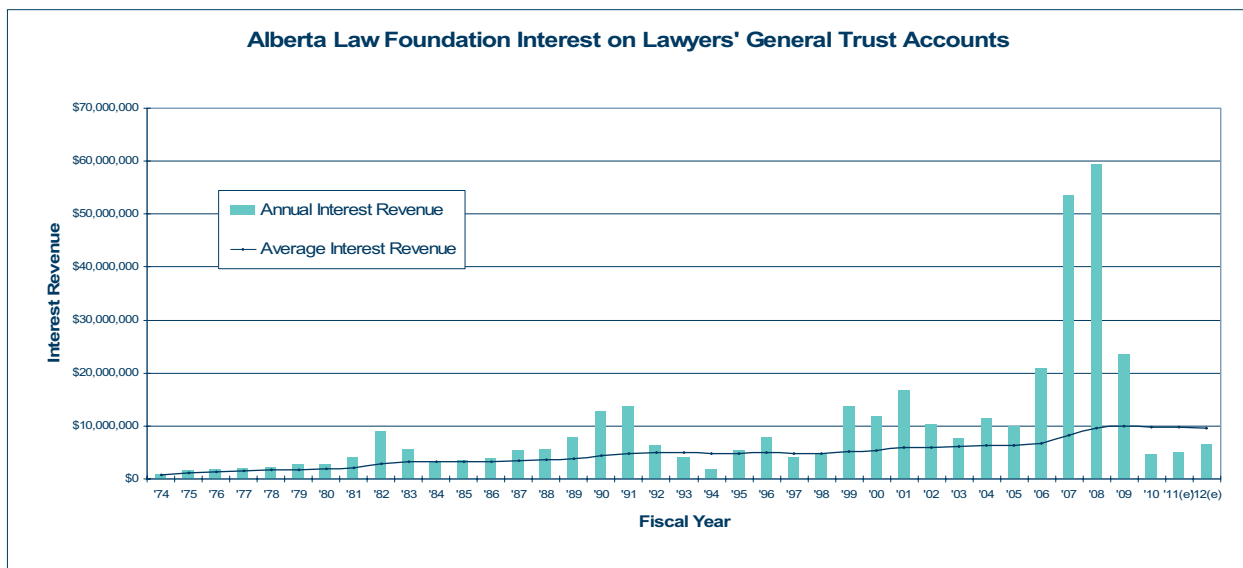
In meeting its mandate, the Foundation continues to play a vital role in the Province of Alberta in assisting a great many residents of the province who may not have the means or ability to address legal problems encountered in their lives. For example, since 1974, the Foundation has funded Calgary Legal Guidance. In a letter dated October 22, 2007, then Chief Justice Allan Wachowich of the Court of Queen's Bench noted the following:

*"The services offered by Calgary Legal Guidance are essential to ensuring that everyone, particularly the disadvantaged and otherwise disenfranchised, have access to legal advice and representation. Democratic principles and the rule of law are only illusory if only the powerful and the wealthy have access to the benefits of the legal system".*

This quotation articulates some of the essential elements frequently referred to in discussions about "access to justice", that do need to be demonstrated in very practical and tangible terms. Having 'access to justice' begins with a basic understanding of the law, including rights and responsibilities. For many poor and disadvantaged Albertans, there is a need for someone to help explain the law, inform them of their rights and responsibilities and very often to advocate on their behalf. There is an evident need for a full spectrum of services, from basic education about the law through to full representation. A large number of organizations are involved in the delivery of those services, including the ALF funded clinics which provide timely and appropriate assistance to help clients address a multitude of legal problems on a daily basis. Often the assistance is simply a clarification, providing information, or making a referral or suggestion of a 'next step', but it can also involve an assessment of very complex situations and, in some cases, may require legal representation. These challenges were acknowledged in the Foundation's recent annual planning meeting where the Directors agreed to place an increased emphasis on meeting the direct legal service needs of the most vulnerable and disadvantaged members of Alberta society.

The Foundation continues to meet the challenge of maintaining grant levels despite the recent lower interest revenues. Although there are some signs of recovery, the sluggish Alberta economy has had a continuing negative impact on the average level of deposits held in lawyers' general trust accounts. Combined with historically low interest rates, this has resulted in a dramatic reduction in Alberta Law Foundation revenue from interest earned on lawyers' general trust accounts in the fiscal year ended March 31, 2010. That revenue was down to \$4.5 million from \$23.7 million in 2009 and from \$59.4 million in 2008. Notwithstanding the increase in the Bank Prime rate to 2.50% on June 2, 2010, and to 2.75% on July 20, 2010, rates are expected to remain flat in the near term. The Alberta Law Foundation had forecast revenue from lawyers' general trust accounts to continue to hover around the \$4.5 million level for fiscal 2011, increasing to about \$5 million in fiscal 2012, but with the July interest rate increase, the forecast is now for about \$5 million in fiscal 2011 and \$6.5 million in fiscal 2012.

The recent dramatic rise and fall is a reminder of the volatility in the Foundation's primary source of revenue from year to year. This trend is evident in the graph below, which illustrates the Alberta Law Foundation's annual revenue from interest on lawyers' general trust accounts since its inception in 1974 and forecast to 2012, plotted against the running average revenue over this time.



Contributions by the Foundation to Legal Aid, being 25% of total revenue received from interest on lawyers' general trust accounts, have likewise seen a corresponding fluctuation with a spike in 2007 and decline from \$14.86 million in 2008, down to \$5.9 million in 2009 and \$1.14 million in 2010. In recognition of the boom and bust nature of the revenue stream, the Board of Directors of the Alberta Law Foundation has taken steps to help even out the impact of these fluctuations on its grantees so that worthwhile programs can continue to operate with relatively constant funding levels. In the two years of significant windfall revenues, funds were added to the ALF Grant Stabilization Fund, intended to allow the Foundation to maintain its overall level of core and pilot grant funding for three years. In the most recent years of diminished revenue outlook, core grantees were encouraged to exercise restraint in their own budgets and the ALF Directors have continued to use caution and appropriate due diligence in reviewing applications for ongoing core funding as well as new project applications. The goal is to ensure that ALF funding is directed toward programs and projects that continue to clearly meet ALF objectives and show strong merit and value in addressing priority legal service needs in the community.

In fiscal 2010, the Alberta Law Foundation Board reviewed 90 applications for funding (119 in 2009) of which 76 were approved (88 in 2009). Grant allocations totaled \$13.95 million in fiscal 2010 (\$14.29 million in 2009), including \$745,346 for projects (\$1.73 million in 2009) and \$13.2 million for core programs (\$12.56 million in 2009). The current allocation to Legal Aid Alberta is down to \$1.14 million from \$5.92 million in fiscal 2009.

As the forecast revenue of \$5 million from lawyers' general trust accounts in 2010-11 would be significantly below the historical level of annual grant approvals, the difference will be made up once again by reliance on our Grant Stabilization Fund. The Foundation continues to be well positioned to support grantees until such time as the economy and interest rates strengthen.

It is apparent that the current economic climate has increased the demand for legal services provided by ALF-funded organizations such as Calgary Legal Guidance and the Edmonton Community Legal Centre. These nonprofit organizations work diligently to ensure that their legal service offerings dovetail with those of Legal Aid Alberta and other service providers, to prevent disadvantaged Albertans from falling through the gaps. As noted above, the clear direction coming out of the ALF Board's strategic planning meeting in June 2010, is that there will be a renewed focus on meeting the direct legal service needs of Alberta's most vulnerable populations. This will involve even greater collaborative efforts among the Alberta Law Foundation and the community legal clinics it funds, as well as Legal Aid Alberta, over the coming months and years.

The Alberta Law Foundation has helped initiate and is supportive of the work underway to determine the feasibility of a single web-based public legal information portal for Alberta that could be developed on a collaborative basis with the involvement of key justice community service providers. Developments in this area will be followed closely and the Foundation is prepared to provide assistance where appropriate. In addition, the Board will continue its efforts to identify and develop larger infrastructure projects of the type that would qualify for funding from the Strategic Reserve Fund.

The Foundation continues to take seriously its stewardship role in relation to the total trust deposits held in lawyers' general trust accounts at the various financial institutions. In March 2010, the consolidated average balance in the Province of Alberta was about \$1.2 billion. Accordingly, the Foundation continues to pursue deposit interest arrangements that reflect a fair rate of compensation on these substantial deposits. We would specifically like to note our appreciation to ATB Financial, Canadian Western Bank, HSBC, Bank of Montreal, Royal Bank of Canada and the Credit Unions in Alberta for their efforts at sustaining interest levels in a very challenging environment.

I would like to express my appreciation to the Foundation's Board of Directors and to the staff, David Aucoin, Deborah Duncan and Diana Porter for their guidance of the Foundation over the past year.

A handwritten signature in blue ink, appearing to read 'Steve Raby', followed by a large, stylized flourish or checkmark-like mark.

Steve Raby, Q.C.  
Chair, Alberta Law Foundation

August 2010

## Grants Awarded 2009-10

### Research and Law Reform

<b>ALBERTA CIVIL LIBERTIES RESEARCH CENTRE</b> Legal research and education on civil liberties and human rights	\$ 560,062
<b>ALBERTA LAW REFORM INSTITUTE</b> Research into law and the administration of justice and proposing law reform	\$1,040,000
<b>ALLIANCE TO END VIOLENCE</b> Elder Abuse Civil Response	\$ 22,473
<b>CANADIAN CIVIL LIBERTIES EDUCATION TRUST</b> Non-Conviction Dispositions	\$ 15,000
<b>CANADIAN FORUM ON CIVIL JUSTICE</b> Civil justice system research, law reform and publications	\$ 395,000
<b>CANADIAN INSTITUTE OF RESOURCES LAW</b> Research, education and publication activities Aboriginal Water Rights Conference	\$ 310,775 \$ 24,050
<b>CANADIAN RESEARCH INSTITUTE FOR LAW AND THE FAMILY</b> Research, education and publication activities	\$ 543,600
<b>CENTRE FOR CONSTITUTIONAL STUDIES</b> Research, education and publication activities	\$ 325,000
<b>ENVIRONMENTAL LAW CENTRE</b> Research, education, information and referral Nuclear Power in the Prairies	\$ 361,100 \$ 27,000
<b>HEALTH LAW INSTITUTE</b> Research, education and publication activities Giving Voice: Advocacy and Mental Health Conference	\$ 583,500 \$ 14,210
<b>TECHNOLOGY SUPPORT, University of Alberta, Faculty of Law</b> Support for the ALF-funded centres and institutes at the Faculty of Law	\$ 139,740

### Law Libraries

<b>JOINT LIBRARY COMMITTEE</b> Maintenance of Alberta Law Libraries collections	\$1,100,734
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## Public Legal Education

<b>ACADEMIC SUCCESS PROGRAM, University of Calgary, Faculty of Law</b>	\$ 11,420
Academic support for students from diverse backgrounds	
<b>ALBERTA SEVENTH STEP SOCIETY</b>	\$ 210,000
Education in the schools re the criminal justice system from the viewpoint of the ex-offender	
<b>ALBERTA WORKERS' HEALTH CENTRE</b>	\$ 150,000
Work Plays Program - Employment/Health and Safety law, school presentations	
<b>ALLIANCE TO END VIOLENCE</b>	\$ 40,000
Study of Legal Services Delivery Model in a Collaborative Centre	
<b>CALGARY CATHOLIC IMMIGRATION SOCIETY</b>	\$ 25,000
PLE workshops on immigration, family and criminal law to clients of CCIS and to service providers	
<b>CALGARY LEGAL GUIDANCE</b>	\$1,000,000
Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral; Homeless Outreach program; related administration costs	
<b>CALGARY WORKERS' RESOURCE CENTRE</b>	\$ 67,576
Employment Rights, Obligations and Benefits Education	
<b>CANADIAN BAR ASSOCIATION ALBERTA</b>	\$ 42,000
Law Day '10 - partial funding for public legal education events held across the province	
<b>Legislative Review Officer - assists the Committee to review all bills prior to first reading</b>	\$ 20,000
<b>CANADIAN SOCIETY FOR THE INVESTIGATION OF CHILD ABUSE</b>	\$ 20,000
Child Witness Court Preparation Program - online version	
<b>CENTRAL ALBERTA WOMEN'S OUTREACH SOCIETY</b>	\$ 77,875
Provision of legal information and assistance	
<b>Rural Legal Support</b>	\$ 39,000
<b>CHINOOK LEARNING SERVICES, CALGARY BOARD OF EDUCATION</b>	\$ 34,000
Provision of public legal education workshops	
<b>CROWSNEST PASS WOMEN'S RESOURCE AND CRISIS CENTRE</b>	\$ 14,750
A program of legal information and referral	
<b>DISTINGUISHED VISITING SPEAKER SERIES, UofC, Faculty of Law</b>	\$ 20,500

<b>EDMONTON COMMUNITY LEGAL CENTRE</b>	\$ 896,486
Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral; related administration costs	
<b>EDMONTON PUBLIC SCHOOLS, METRO CONTINUING EDUCATION</b>	\$ 34,645
Provision of public legal education workshops	
<b>ELIZABETH FRY SOCIETY, CALGARY</b>	\$ 148,000
Trained volunteers provide information, guidance, referral and support to persons in Provincial Court	
Community Awareness Program for Immigrants	\$ 80,000
Legal Ease Program	\$ 26,000
<b>ELIZABETH FRY SOCIETY OF EDMONTON</b>	\$ 128,977
Trained volunteers provide information, guidance, referral and support to persons in Provincial Court	
Volunteer lawyer clinic at the Edmonton Institution for Women	\$ 16,855
Courtworker expansion to St Albert, Stony Plain and Morinville	\$ 81,630
Courtworker expansion to Fort Saskatchewan and Sherwood Park	\$ 80,620
<b>ENVIRONMENTAL LAW SOCIETY, University of Calgary, Faculty of Law</b>	\$ 1,550
Speaker Series	
<b>GRANDE PRAIRIE COUNCIL FOR LIFELONG LEARNING</b>	\$ 19,500
Provision of public legal education workshops	
<b>JOHN HOWARD SOCIETY OF ALBERTA</b>	
Public legal education in Alberta schools and communities about the criminal justice system	
Provincial Office	\$ 57,953
Calgary District	\$ 205,445
Edmonton District	\$ 223,942
Lethbridge District	\$ 149,247
Medicine Hat District	\$ 74,576
Red Deer District	\$ 40,000
Grande Prairie District	\$ 176,082
Immigrant Legal Education Services (Medicine Hat)	\$ 70,617
<b>JOHN HUMPHREY CENTRE FOR PEACE AND HUMAN RIGHTS</b>	
Youth Guide to the Canadian Charter of Rights and Freedoms	\$ 32,478
<b>LEGAL EDUCATION SOCIETY OF ALBERTA</b>	\$ 212,700
Partial funding of the Canadian Centre for Professional Legal Education Program	

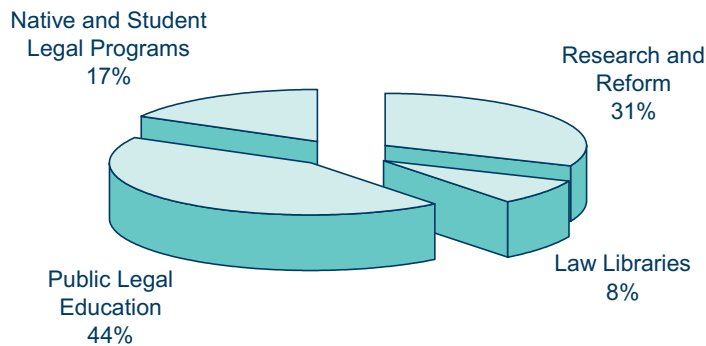
<b>LEGAL RESOURCE CENTRE</b>	\$ 523,000
Web-based public legal education and information resources; legal reference, referral and presentations to the public; and training for intermediaries	
ACJNet Revitalization	\$ 96,700
Review and upgrade of Access to Justice Network website and content	
<b>LETHBRIDGE COLLEGE</b>	\$ 80,658
Provision of public legal education workshops	
<b>MEDICINE HAT COLLEGE</b>	\$ 38,000
Provision of public legal education workshops	
<b>MOUNT ROYAL UNIVERSITY FOUNDATION</b>	\$ 3,000
BA, Criminal Justice Scholarships	
<b>PORTAGE COLLEGE, LAC LA BICHE</b>	\$ 96,344
Provision of public legal education workshops	
<b>RED DEER PUBLIC SCHOOLS COMMUNITY PROGRAMS</b>	\$ 11,277
Provision of public legal education workshops	
<b>SCHOLARSHIPS, University of Alberta, Faculty of Law</b>	\$ 362,750
<b>SCHOLARSHIPS, University of Calgary, Faculty of Law</b>	\$ 358,500
<b>WOMEN'S CENTRE OF CALGARY</b>	\$ 20,600
Legal clinic volunteer coordinator	

### Native and Student Legal Assistance Programs

<b>CENTRAL ALBERTA LEGAL CLINIC FOUNDATION</b>	\$ 304,750
Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral; related administration costs	
Remote Service Delivery	\$ 65,400
<b>INDIGENOUS ACADEMIC SERVICES, University of Alberta, Faculty of Law</b>	\$ 99,352
A support program for aboriginal students enrolled in the law school	
<b>LETHBRIDGE LEGAL GUIDANCE</b>	\$ 185,105
Volunteer lawyer clinical services; follow-up legal advice and representation; public legal education, information and referral; related administration costs	
<b>NATIVE COUNSELLING SERVICES OF ALBERTA</b>	
Media Department - multi-media public legal education resources	\$ 349,420
Bearpaw Legal Education and Resource Centre	\$ 436,657

<b>NATIVE LAW CENTRE, University of Saskatchewan</b>	\$ 20,000
Partial funding of the research and education program	
<b>PRO BONO LAW ALBERTA</b>	\$ 210,000
Funding for operations costs to assist delivery of pro bono legal services	
Grande Prairie Legal Guidance - volunteer lawyer clinical services program	\$ 43,190
National Pro Bono Conference, Calgary	\$ 10,000
<b>PRO BONO STUDENTS CANADA, University of Calgary, Faculty of Law</b>	\$ 27,235
Funding for student coordinators of volunteer programs	
<b>STUDENT LEGAL ASSISTANCE, University of Calgary, Faculty of Law</b>	\$ 286,340
Provision of legal information and assistance to the community	
<b>STUDENT LEGAL SERVICES, University of Alberta, Faculty of Law</b>	\$ 326,756
Provision of legal information and assistance to the community, including Pro Bono Students Canada at the University of Alberta	

### Grant Allocations by Objective



**ALBERTA LAW FOUNDATION - YEAR ENDED MARCH 31, 2010**

**STATEMENT OF FINANCIAL POSITION**

	2010	2009
<b>Assets</b>		
Cash	\$ 141,676	\$ 210,437
Investments - short term	47,333,670	25,184,901
Accrued interest - Investments	586,059	419,111
Accrued interest - Lawyers' general trust accounts	439,547	1,089,561
	<hr/> 48,500,952	<hr/> 26,904,010
Investments - long term	57,966,269	84,595,010
	<hr/> <b>\$ 106,467,221</b>	<hr/> <b>\$ 111,499,020</b>
<b>Liabilities</b>		
Accrued liabilities	\$ 18,000	\$ 18,000
Grants payable - General	12,471,666	13,646,095
- Special project fund	14,000	70,000
	<hr/> 12,485,666	<hr/> 13,716,095
Payable to Legal Aid Alberta	1,138,028	5,918,137
	<hr/> <b>\$ 13,641,694</b>	<hr/> <b>\$ 19,652,232</b>
<b>Net Assets</b>		
Grant stabilization fund	\$ 39,750,000	\$ 37,250,000
Strategic reserve fund	45,500,000	54,000,000
Unrestricted	7,575,527	596,788
	<hr/> <b>\$ 92,825,527</b>	<hr/> <b>\$ 91,846,788</b>
	<hr/> <b>\$ 106,467,221</b>	<hr/> <b>\$ 111,499,020</b>

**STATEMENT OF CHANGES IN NET ASSETS**

with comparative figures for 2009

	Unrestricted	Grant Stabilization Fund	Strategic Reserve Fund	2010 Total	2009 Total
Balance, beginning of year	\$ 596,788	\$37,250,000	\$ 54,000,000	\$91,846,788	\$91,128,288
Excess of revenue over expenses	978,739	-	-	978,739	718,500
Internally designated transfers	-	8,500,000	(8,500,000)	-	-
Internally designated transfers	6,000,000	(6,000,000)	-	-	-
Balance, end of year	<hr/> \$ 7,575,527	<hr/> \$39,750,000	<hr/> \$ 45,500,000	<hr/> \$92,825,527	<hr/> \$91,846,788

**ALBERTA LAW FOUNDATION - YEAR ENDED MARCH 31, 2010**

**STATEMENT OF OPERATIONS**

	<b>2010</b>	<b>2009</b>
<b>Revenue</b>		
Interest received on lawyers' general trust accounts	\$ 4,552,112	\$ 23,672,550
Income earned from investments	3,198,387	4,131,814
Unclaimed trust balances from Law Society of Alberta	101,037	44,849
	<hr/>	<hr/>
	7,851,536	27,849,213
<b>Expenses</b>		
General administration	\$ 712,496	\$ 636,968
Allocation to Legal Aid Alberta	1,138,028	5,918,137
	<hr/>	<hr/>
Excess of revenue over expenses before grant allocations	6,001,012	21,294,108
<b>Deduct:</b>		
Project allocations from unrestricted net assets:		
Research and reform	\$ 327,733	\$ 322,855
Law Libraries	-	674,955
Public legal education	299,023	624,186
Native and student assistance	118,590	109,234
	<hr/>	<hr/>
	745,346	1,731,230
Core program allocations from unrestricted net assets:		
Research and reform	4,053,777	4,148,089
Law libraries	1,100,734	1,023,952
Public legal education	5,801,230	5,228,519
Native and student assistance	2,245,615	2,161,161
	<hr/>	<hr/>
	13,201,356	12,561,721
<b>Add:</b>		
Grant refunds	\$ 923,278	\$ 698,453
Allocations withdrawn	106,011	114,580
	<hr/>	<hr/>
	1,029,289	813,033
Excess (deficiency) of revenue over expenses before unrealized gains (losses)	(6,916,401)	7,814,190
Unrealized gain (loss) on investments	7,895,140	(7,095,690)
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<b>Excess of revenue over expenses</b>	<b>\$ 978,739</b>	<b>\$ 718,500</b>

## ABOUT THE ALBERTA LAW FOUNDATION

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

### OBJECTS

The objects of the Foundation are:

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

### BOARD OF DIRECTORS

The Foundation's funds are administered by a Board of Directors consisting of seven members; three are appointed by the Alberta Minister of Justice, two by the Benchers of the Law Society of Alberta and two others by those five Directors. The Directors meet regularly to decide on grant applications and policy matters with respect to the general administration of the Foundation's affairs, including the investment of funds. These investments are governed by a comprehensive Statement of Investment Policies and Procedures developed in response to the November 2007 amendment to the Legal Profession Act Section 122(7) requiring the Foundation to adhere to prudent investment standards.

### FUNDING GUIDELINES

Projects must fall within the stated objects of the Alberta Law Foundation as interpreted by the Foundation's Board of Directors. Grants may be of any size but all are subject to the availability of funds. In general, grants will not be made to an individual or for the support of a commercial

venture. Funds are not available for sabbatical leave support, fellowships or endowments. Major publications are expected to be self-supporting. Please refer to the website for additional assistance.

### APPLICATION PROCEDURES

Contact the Foundation office to discuss your proposal and the appropriate application process. Assistance with the preparation of your application is available from the Executive Director and the Program Director. Remember, however, that the staff can only offer advice and that it is the Board of Directors who will make the decision on the funding of your project. The Board meets regularly throughout the year and the scheduled meeting dates can be obtained through the office.

### OBLIGATIONS OF GRANT RECIPIENTS

An organization which receives a grant must ensure that the work is carried out in accordance with the submission. Any major departure from the objectives, procedures, or budget of the project must be approved by the Board of Directors of the Alberta Law Foundation. Progress reports and financial statements must be submitted at agreed intervals. The final report should be accompanied by a refund of any unspent funds, together with an independent auditor's report (unless the Foundation has agreed that such is not required).

### BOARD OF DIRECTORS, July 2010

M. Joyce Burnett, LL.B, Edmonton  
Roshni Daya, LL.B, PhD  
Jeanette W. Fedorak, B.Sc, LL.B  
Barry R. Gardiner, FCA, CFP, Edmonton  
Brian A. LeMessurier, M.Ed, Athabasca  
Stephen G. Raby, Q.C., Calgary (Chair)  
Murray W. Stooke, LL.B, Calgary

### STAFF

David Aucoin, M.B.A., Executive Director  
Deborah Duncan, LL.B./BCL, Program Director  
Diana M. Porter, Administrative Assistant

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