

Ministry of Justice and Attorney General

Law Reform Commission of Saskatchewan



Annual Report for 2018-19

Table of Contents

- Letters of Transmittal** 1
- About the Commission** 2
 - Objectives 2
 - Commissioners 2
 - Contact Information 2
 - Previous Members of the Commission 3
 - Financial Information 3
- Research Program and Activities** 4
 - Consideration of Current Law Reform Issues 4
 - Implementation of Recent Projects 4
 - Citation of Commission Reports by the Courts 5
 - Citation of Commission Reports by Commentators 5
- Research Program 2018-19** 6
 - Ongoing Work of the Commission 6
- Management’s Responsibility for the Financial Statements** 7
- Financial Statements** 8

This annual report is also available in electronic format from the Ministry’s website at www.saskatchewan.ca.

Letters of Transmittal



*The Honourable
Don Morgan, Q.C.
Minister of Justice
and Attorney General*

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report of the Law Reform Commission of Saskatchewan for the fiscal year ending March 31, 2019.

Respectfully submitted,

A handwritten signature in black ink that reads "Don Morgan".

Don Morgan, Q.C.
Minister of Justice and Attorney General



*Michael Milani, Q.C.
Chair*

The Honourable Don Morgan, Q.C.,
Minister of Justice and Attorney General

May it Please Your Honour:

I have the honour of submitting the Annual Report of the Law Reform Commission of Saskatchewan for the fiscal year ending March 31, 2019.

A handwritten signature in black ink that reads "Michael Milani".

Michael Milani, Q.C.
Chair

About the Commission

Objectives

The Law Reform Commission of Saskatchewan (the Commission) was established by *An Act to Establish a Law Reform Commission*, proclaimed in force in November 1973. The Commission began operating in February 1974.

The purpose of the Law Reform Commission of Saskatchewan is set out in *The Law Reform Commission Act*:

The Commission shall take and keep under review all the law of the province, including statute law, common law and judicial decisions, with a view to its systematic development and reform, including the codification, elimination of anomalies, repeal of obsolete and unnecessary enactments, reduction in the number of separate enactments and generally the simplification and modernization of the law.

Topics for the Commission's research program are brought before meetings of the Commission for consideration. These topics may originate from a recommendation of the Minister of Justice and Attorney General (the Minister), the Commission and its staff, the judiciary, the legal profession, other professional organizations, or the public. Once the research study in a particular project is completed, the matter is placed before the Commission for discussion and consideration. The Commission may decide to issue background papers or tentative proposals for circulation to the public in order to obtain criticism and comment prior to the preparation of a final report. Consultations may entail public meetings, hearings, and workshops. The Commission's recommendations are embodied in its final report to the Minister.

The Commission works closely with the Ministry of Justice and Attorney General (the Ministry) in formulating research projects and facilitating adoption of its proposals. The Commission has also made an ongoing contribution on behalf of the province to the national work of the Uniform Law Conference of Canada (ULCC). Commissioners and the Director of the Commission have served as members of the ULCC for many years. The Commission is a member of the Federation of Law Reform Agencies of Canada.

Commissioners

- ⇒ Mr. Michael Milani, Q.C. Chair
Practising Lawyer
- ⇒ The Honourable Darryl J. Brown
Justice of the Court of Queen's Bench for Saskatchewan
- ⇒ Professor Ronald C. Cuming, Q.C. (Chair 1978-1982)
College of Law, University of Saskatchewan
- ⇒ Mr. Darcy McGovern, Q.C.
Saskatchewan Ministry of Justice and Attorney General
- ⇒ Dr. Barbara von Tigerstrom
College of Law, University of Saskatchewan

Contact Information

The Commission may be contacted at:

Law Reform Commission of Saskatchewan
Room 184, College of Law
15 Campus Drive
SASKATOON SK S7N 5A6

Telephone: (306) 966-1625

Fax: (306) 966-5900

E-mail: director@lawreformcommission.sk.ca

Previous Members of the Commission

- ⇒ Professor Brian A. Grosman, Q.C. (Chair 1974-1978)
- ⇒ Professor Ronald C. Cuming, Q.C. (Chair 1978-1982)
Active member of the Commission
- ⇒ Dr. D.A. Schmeiser, Q.C. (Chair 1982-1987)
- ⇒ Mr. Dale Linn, Q.C. (Chair 1987-1992)
- ⇒ Mr. Kenneth P.R. Hodges, Q.C.
(Chair 1992-2000; Member 2000-2012)
- ⇒ Ms. Merrilee Rasmussen, Q.C. (Chair 2000-2008)
- ⇒ Ms. Kathleen Robertson (Chair 2008-2009)
- ⇒ The Honourable Donald H. Layh (Chair 2009-2014)
Justice of the Court of Queen's Bench
- ⇒ The Honourable E.D. Bayda, Q.C. (1974-1976)
Former Chief Justice of the Court of Appeal for Saskatchewan
- ⇒ Mr. George J.D. Taylor, Q.C. (1974-1982)
- ⇒ The Honourable Marjorie A. Gerwing (1976-1992)
Former Justice of the Court of Appeal for Saskatchewan
- ⇒ Mr. Gordon J. Kuski, Q.C. (1982-1992)
- ⇒ The Honourable Gene Anne Smith (1992-1998)
Former Justice of the Court of Appeal for Saskatchewan
- ⇒ Ms. Gailmarie Anderson (1992-2001)
- ⇒ The Honourable Dianne Morris (1992-2002)
Former Judge of the Provincial Court for Saskatchewan
- ⇒ Mr. Douglas Moen, Q.C. (2000-2002)
- ⇒ Mr. Alan McIntyre, Q.C. (2000-2008)
- ⇒ Professor Michaela Keet (2000-2014)
- ⇒ Ms. Bonnie Missens (2002-2005)
- ⇒ The Honourable Robert D. Laing (2003-2006)
Justice of the Court of Queen's Bench for Saskatchewan
- ⇒ Professor Sarah Buhler (2003-2008)
- ⇒ Ms. Carole Lavallee (2003-2009)
- ⇒ Ms. Susan Bates (2003-2009)
- ⇒ The Honourable Georgina R. Jackson (2006-2014)
Justice of the Court of Appeal for Saskatchewan
- ⇒ Ms. Susan Amrud, Q.C. (2002 - 2017)
- ⇒ Mr. Greg Swanson (2014-2018)
- ⇒ The Honourable Sanjeev Anand (2016-2017)
Judge of the Provincial Court for Saskatchewan

Financial Information

The Law Reform Commission is financed by annual grants from the Government of Saskatchewan and the Law Foundation of Saskatchewan. In the 2018-19 fiscal year, the Commission received a grant of \$60,000 from the Government of Saskatchewan (through the Ministry) and a grant of \$80,000 from the Law Foundation of Saskatchewan.

Commissioners, other than the judicial and provincial government representatives, are entitled to receive honoraria from the Law Reform Commission of Saskatchewan in the amount of \$235 per day for the Chair and \$155 per day for the Commissioners when engaged in work of the Commission. The Director provides services at the rate of \$115,000 per annum.

Research Program and Activities

Consideration of Current Law Reform Issues

Community and stakeholder involvement in the consultation process is vital in raising awareness of legal issues and law reform throughout Saskatchewan and Canada. Interested and engaged individuals and groups mean better input into the process of legal reform, resulting in more effective recommendations by the Commission.

The Commission's work is directed to legal reform in the best interests of the people of Saskatchewan. The consultation process engages the public and stakeholders in the Commission's work, thereby educating them on the current and proposed state of the law. The Commission's work is driven by research. Local experts in many fields of practice may be engaged. Libraries across the country are richer for having publications by the Commission as part of their in-house materials. Law students have access to these papers through the library system and online, encouraging the use and maintenance of Saskatchewan's legal knowledge base. Reports of the Commission are also now available online on CanLii.

In addition to legislative reforms that might be suggested by the Minister or by legal groups, the Commission seeks the contribution and input of all citizens of the province. The Commission follows current legal issues and encourages enquiries from the public.

Implementation of Recent Projects

The Commission has worked closely with the Ministry by reviewing several significant pieces of legislation in recent years, including *The Powers of Attorney Act*, *The Limitations Act*, *The Evidence Act*, and amendments to *The Administration of Estates Act*. The Commission also assisted the Ministry with the finalization of *The Trustee Act, 2009* that is based on the Commission's 2002 report, *Proposals for Reform of the Trustee Act* and its 1987 report, *Proposals Relating to the Rules Against Perpetuities and Accumulations*.

Amendments to *The Land Titles Act, 2000*, that came into force on March 5, 2012, implement recommendations made in the *Final Report on Private Title Insurance* issued jointly by the Commission and the Manitoba Law Reform Commission.

In 2009, the Commission issued a consultation paper on administrative penalties; the final report was issued in 2012. These reports included a discussion on the use of administrative penalties in Saskatchewan, the issues of process and fairness they raise, and suggested ways in which fairness might be ensured. *The Forest Resources Management Amendment Act, 2010* and *The Environmental Management and Protection Act, 2010* both incorporated the tentative recommendations made by the Commission. All Acts passed by the Saskatchewan Legislature since that time that include provisions respecting administrative penalties have adopted the recommendations in the final report.

Provisions respecting reverse mortgages were included in *The Mortgage Brokerages and Mortgage Administrators Regulations* that came into force on October 1, 2010, based on the recommendations in the Commission's 2006 *Report on Reverse Mortgages*.

This close collaboration continues respecting the reform of residential foreclosure law, as the Commission reviewed *The Land Contracts (Actions) Act* at the Minister's request. In response to the Commission's 2014 report: Reform of *The Land Contracts (Actions) Act*, the provincial government introduced Bill 103: *The Land Contracts (Actions) Act, 2017*, substantially implementing all of the Commission's recommendations. *The Land Contracts (Actions) Act, 2018* received royal assent in May 2018, and is to be proclaimed in force as of September 1, 2019.

In response to the Commission's 2013 report: *Access to Justice – Needy Person Certificates and Waiver of Fees: Final Report* the Saskatchewan Legislature passed *The Fee Waiver Act* on March 17, 2015 and *The Fee Waiver Regulations* on December 17, 2015. They both came into force on February 26, 2016. The recommendations of the Commission were designed to improve access to justice for the less advantaged members of our community through fee waivers.

In 2017, the Commission issued the *Final Report: Reform of the Intestate Succession Act, 1996*. This final report makes several recommendations for reform based on current estate planning practices that will ensure Saskatchewan's intestate estate distribution system remains relatively simple, certain, and efficient. Bill 154: *The Intestate Succession Act 2018*, which incorporates the Commission's recommendations, received Royal Assent on May 15, 2019, but is not yet proclaimed to be in force.

The Commission submitted its *Final Report on Assisted Reproduction & Parentage* to the Minister of Justice in December 2018. The report is actively being considered by the Ministry of Justice.

Citation of Commission Reports by the Courts

Reports issued by the Commission continue to influence courts across the country in the determination of common law and statutory interpretation. A mark of success for the Commission is the number of times its reports and other publications have been referred to in judicial decisions of Saskatchewan courts and elsewhere in Canada and the Commonwealth.

The Commission's work has been referred to in courts across Canada, including two Supreme Court of Canada decisions, the most recent of which is the 2013 decision *Quebec (Attorney General) v A*, 2013 SCC 5. In 2019, reports of the Law Reform Commission of Saskatchewan were cited in two Saskatchewan Court of Appeal decisions: *Sound Stage Entertainment Inc v Burns*, 2019 SKCA 18, and *Nagel's Debt Review Inc v Mosiuk*, 2019 SKCA 16.

Citation of Commission Reports by Commentators

The Commission's work has been referred to several times in various publications in the last decade, including in four articles published in academic journals during the 2018 – 2019 fiscal year.

Research Program 2018-19

Commercial Tenancies: This is a multi-year joint project with the Uniform Law Conference of Canada (ULCC). A working group, chaired by the Commission's Director with representation from several provinces, presented a draft Uniform Commercial Tenancies Act and commentaries to the ULCC for adoption at its August 2018 meeting. The ULCC subsequently accepted and adopted the Uniform Commercial Tenancies Act in February 2019.

Assisted Reproduction & Parentage: Several provinces and countries have reformed their parentage laws to account for the rising use of various types of assisted human reproduction procedures. Procedures such as gamete donation and surrogacy can lead to potentially complex parentage results. The Commission submitted its final report and recommendations on assisted reproduction and parentage to the Minister of Justice in December 2018.

Ongoing Work of the Commission

Real Property Security Law: During the 2018-2019 fiscal year, the Commission published a consultation paper containing tentative proposals for a *Land Charges Act*, and engaged in consultations with focus groups in Saskatchewan. Consultations on this project will continue throughout the 2019-2020 fiscal year.

Life Leases: The Commission published a consultation paper on the desirability of life lease housing legislation in March 2019. Consultations will occur during the 2019-2020 fiscal year. The Commission anticipates its final report on life leases will be submitted to the Minister of Justice by the end of the 2019-2020 fiscal year.

Contributory Negligence & Apportionment of Fault Among Wrongdoers: The Commission is in the preliminary stages of studying issues associated with apportioning of fault among wrongdoers and *The Contributory Negligence Act*. This project will be a primary focus of the Commission's work in 2019-2020.

Occupiers' Liability: The Commission is in the preliminary stages of studying issues associated with occupiers' liability. This project will be a primary focus of the Commission's work in 2019-2020.

Electronic copies of all Commission publications are available on the Commission's website, at lawreformcommission.sk.ca. Electronic copies of the Commission's publications can also be found on the Publications Saskatchewan website at publications.saskatchewan.ca, and on CanLii at www.canlii.org.

Management's Responsibility for the Financial Statements

Management is responsible for the integrity of the financial information reported by the Commission. Fulfilling this responsibility requires the preparation and presentation of financial statements and other financial information in accordance with Canadian public sector accounting standards. These standards are consistently applied, with any exceptions specifically described in the financial statements.

The accounting systems used by the Commission include an appropriate system of internal controls to provide reasonable assurance that:

- ⇒ transactions are authorized;
- ⇒ the Commission's assets are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other information; and
- ⇒ the accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information.

To ensure management meets its responsibilities for financial reporting and internal control, the members of the Commission discuss audit and reporting matters with representatives of management regularly. The members of the Commission have also reviewed the financial statements with representatives of management.

The Provincial Auditor of Saskatchewan has audited the Commission's financial statements in accordance with Canadian generally accepted standards.

The Provincial Auditor has audited the Commission's statement of financial position as of March 31, 2019, and the related statements of operations and changes in net assets and cash flows for the year then ended.

The Provincial Auditor's responsibility is to express an opinion on the fairness of management's financial statements. The Auditor's Report outlines the scope of the audit and the Provincial Auditor's opinion.

LAW REFORM COMMISSION OF SASKATCHEWAN

FINANCIAL STATEMENTS

For the Year Ending March 31, 2019



INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

Opinion

We have audited the financial statements of the Law Reform Commission of Saskatchewan, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Law Reform Commission of Saskatchewan as at March 31, 2019, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Law Reform Commission of Saskatchewan in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2018-19 Annual Report of the Law Reform Commission of Saskatchewan, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or any knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Law Reform Commission of Saskatchewan's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Law Reform Commission of Saskatchewan or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Law Reform Commission of Saskatchewan's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Law Reform Commission of Saskatchewan's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Law Reform Commission of Saskatchewan's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Law Reform Commission of Saskatchewan to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during the audit.

Regina, Saskatchewan
July 19, 2019

Judy Ferguson, FCPA, FCA
Provincial Auditor
Office of the Provincial Auditor

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
As at March 31

	<u>2019</u>	<u>2018</u>
Financial Assets		
Cash	\$ 22,397	\$ 32,449
Short-term investments (Note 4)	65,207	64,851
Accounts receivable	<u>116</u>	<u>317</u>
Total Financial Assets	<u>87,720</u>	<u>97,617</u>
Liabilities		
Accounts payable and accrued liabilities	<u>7,153</u>	<u>5,078</u>
Net Financial Assets (Statement 3)	80,567	92,539
Non-financial Assets		
Prepaid expenses	<u>2,169</u>	<u>1,782</u>
Accumulated surplus (Statement 2)	<u>\$ 82,736</u>	<u>\$ 94,321</u>
Contractual Obligations (Note 7)		

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF OPERATIONS
For the Year Ending March 31

	Budget (Note 8)	2019	2018
Revenue			
Ministry of Justice and Attorney General - grant	\$ 60,000	\$ 60,000	\$ 60,000
Law Foundation - grant	80,000	80,000	60,000
Interest and miscellaneous	<u>1,000</u>	<u>155</u>	<u>544</u>
Total revenue	<u>141,000</u>	<u>140,155</u>	<u>120,544</u>
Expenses			
Salaries and employee benefits	133,228	129,953	119,698
Worker's compensation benefit premium	-	163	162
Contract labour	-	3,110	14,105
Conference and travel	4,600	5,925	4,580
Commissioner's honoraria	3,500	0	0
Office supplies and services	2,200	912	2,167
Online Research	1,200	1,360	1,429
Marketing	1,100	0	500
Professional fees	2,428	3,007	1,849
Office rent	3,875	5,850	5,521
Miscellaneous	2,000	150	17
Website design and admin	<u>2,500</u>	<u>1,310</u>	<u>356</u>
Total expenses	<u>156,631</u>	<u>151,740</u>	<u>150,384</u>
Surplus (deficit) for the year	<u><u>\$ (15,631)</u></u>	(11,585)	(29,840)
Accumulated surplus, beginning of year		<u>94,321</u>	<u>124,161</u>
Accumulated surplus, end of year (Statement 1)		<u><u>\$ 82,736</u></u>	<u><u>\$ 94,321</u></u>

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ending March 31

	<u>Budget</u> (Note 8)	<u>2019</u>	<u>2018</u>
Surplus (deficit) for the year	\$ (15,631)	\$ (11,585)	\$ (29,840)
Addition to prepaid expense	-	<u>(387)</u>	<u>(901)</u>
Increase(decrease) in net financial assets	-	(11,972)	(30,741)
Net financial assets, beginning of year	-	<u>92,539</u>	<u>123,280</u>
Net financial assets, end of year (Statement 1)	-	<u>\$ 80,567</u>	<u>\$ 92,539</u>

**LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
For the Year Ending March 31**

	<u>2019</u>	<u>2018</u>
Cash flow from (used in) operating activities		
Ministry of Justice and Attorney General - grant	\$ 60,000	\$ 60,000
Law Foundation - grant	80,000	60,000
Interest and miscellaneous revenue	356	1,320
Cash paid to suppliers and employees	<u>(150,052)</u>	<u>(151,128)</u>
Cash (used in) provided by operating activities	<u>(9,696)</u>	<u>(29,808)</u>
Cash flows from (used in) investing activities		
Purchase of short-term investments	(65,207)	(104,851)
Proceeds from disposal and redemption of investments	<u>64,851</u>	<u>144,280</u>
Cash provided by (used in) investing activities	<u>(356)</u>	<u>39,429</u>
(Decrease) increase in cash	(10,052)	9,621
Cash, beginning of year	<u>32,449</u>	<u>22,828</u>
Cash, end of year (Statement 1)	<u>\$ 22,397</u>	<u>\$ 32,449</u>

LAW REFORM COMMISSION OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2019

1. Incorporation

The *Law Reform Commission Act* was amended effective November 6, 1987. At that date the Commission became a body corporate and continued the operation of the Law Reform Commission of Saskatchewan.

The purpose of the Commission is to review all the laws of the Province with a view to its systematic development and reform and generally the simplification and modernization of the law.

The Commission is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Commission is responsible to maintain a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

2. Significant Accounting Policies

The Commission is classified as an other government organization. Accordingly, the financial statements have been prepared in accordance with Canadian public sector accounting standards, issued by the Public Sector Accounting Board and published by the Chartered Professional Accountants of Canada.

a) Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

b) Revenue Recognition

The government grant from the Ministry of Justice and Attorney General is recognized as revenue in the period when the transfer is authorized by the Ministry.

The Law Foundation grant is restricted for specific purposes as stipulated in the Law Foundation's Grant Terms and Conditions and is recognized as revenue when received.

Interest is recognized as revenue when earned.

c) Pension Plans

The Commission has begun participating in the Public Employees' Pension Plan (PEPP) effective January 1, 2018. This is a defined contribution plan. The commission's financial obligation to the plan is limited to making the required payments to this plan according to the PEPP agreement.

d) Financial Instruments

Classification

Cash and short-term investments are classified in the fair value category. Accounts receivable, and accounts payable and accrued liabilities are carried at amortized cost. Due to their short-term nature, the amortized cost of these instruments approximate their fair value. Carrying amounts are in each instance disclosed in the Statement of Financial Position.

Significant terms and conditions

There are no significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows.

Interest rate risk

The Commission is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates.

The Commission does not have any long-term investments that may be affected by market pressures.

The Commission's receivables and payables are non-interest bearing.

Credit risk

The Commission is exposed to credit risk from potential non-payment of accounts receivable or investment income and principal.

The Commission rarely has accounts receivable. Most of the Commission's receivables are from provincial agencies, federal government and Commission members; therefore credit risk is minimal.

All investments are purchased from and held with major banks; therefore, credit risk for investments and related accrued interest receivables is minimal.

e) Remeasurement gains and losses

The Commission has no transactions that would result in remeasurement gains and losses therefore no statement of remeasurement gains and losses has been prepared.

f) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

g) New accounting standard not yet in effect

A new Canadian public sector accounting standard is not yet in effect for governments and has not been applied in preparing these financial statements. The Commission plans to adopt this new standard on the effective date and is currently analyzing the impact this will have on these financial statements.

PS 3400 Revenue (effective April 1, 2021), this new standard establishes standards on how to account for and report on revenue.

3. Designated Assets

The Commission has designated assets to finance future research projects and initiatives at the discretion of the Commission. These designated assets are not available for other purposes without approval of the Commission.

<u>Research Projects and Initiatives</u>	<u>2019</u>	<u>2018</u>
Balance at Beginning of Year	\$ 83,917	\$ 98,039
Disbursements	<u>(3,110)</u>	<u>(14,122)</u>
Balance at End of Year	<u>\$ 80,807</u>	<u>\$ 83,917</u>

4. Short-term investments

Short-term investments consist of a guaranteed income certificate with an effective interest rate of 1.00% (2018 - 0.55%) with a maturity date of January 24, 2020.

5. Pension Plan

The Commission participates in the Public Employees Pension Plan (PEPP). PEPP is a defined contribution pension plan and is the responsibility of the Government of Saskatchewan. The Commission's financial obligation to the plan is limited to making required payments to match the amount contributed by the employees for current services. The Commission contribution to this plan is 7.5% of salary. Pension expense for the year was \$8,627 (\$2,157 - 2018), which is included in salary and benefits in Statement 2.

6. Related Party Transactions

These financial statements include transactions with related parties. The Commission is related to all Saskatchewan Crown Agencies such as ministries, corporations, boards, and commissions under the common control of the Government of Saskatchewan, as well as its key management personnel and their close family members. Additionally, the Commission is related to organizations where they have key management personnel and/or their close family members in common.

Routine operating transactions with related parties are in the normal course of operations, recorded at agreed upon exchange amounts and settled under normal trade terms.

Related party transactions are as follows:

	<u>2019</u>	<u>2018</u>
Revenues		
Ministry of Justice and Attorney General	\$ 60,000	\$ 60,000
Expenses		
Saskatchewan Workers' Compensation Board	162	162
Publications Saskatchewan	-	17
University of Saskatchewan	5,850	5,521

In addition, the Commission pays Provincial Sales Tax to the Ministry of Finance on all its taxable purchases. Taxes paid are recorded as a part of the cost of those purchases.

7. Contractual Obligations

The Commission has entered into an agreement to lease office space from the University of Saskatchewan. The lease is for a period of 9 years and 11 months, expiring on February 28, 2027. The future obligation is as follows:

2019-20	\$ 6,667
2020-21	7,334
2021-22	8,068
2022-23	8,874
2023-24	9,761
2024 and subsequent	34,458

8. Budget

The Commission approved the 2018-19 budget on February 8, 2018