

LAW REFORM  
COMMISSION  
OF  
NOVA SCOTIA



# Twenty-Fourth Annual Report

April 1, 2014 to March 31, 2015



LAW REFORM  
COMMISSION  
OF  
NOVA SCOTIA



## TWENTY-FOURTH ANNUAL REPORT

April 1, 2014 to March 31, 2015

The Law Reform Commission of Nova Scotia was established in 1991 by the Government of Nova Scotia under an *Act to Establish an Independent Law Reform Commission*.

The Commissioners are:

Darlene Jamieson Q.C., President  
Professor Robert J. Currie, Vice-President  
Justice Kevin Coady  
Dr. Brian R. Joseph  
D. Peter Mancini, Q.C. (until February 2015)  
Richard J. Melanson  
Catherine D. A. Watson (from February 2015)

The staff of the Commission are:

Angus Gibbon  
*Executive Director*

Ilana Luther  
*Legal Research Counsel*

William H. Charles, Q.C.  
*Special Counsel*

Tara Wall  
*Financial Administrator*

The Commission offices are located at:

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**The Law Reform Commission receives funding from the Government of Nova Scotia and the Law Foundation of Nova Scotia. The Commission gratefully acknowledges this financial support.**

## Contents

The Commission .....	4
The Year in Review 2014-2015 .....	5
Work Program and Publications.....	5
Enforcement of Civil Judgments .....	5
Powers of Attorney Act.....	6
Matrimonial Property Act .....	7
Intestate Succession Act.....	7
Funding & Finances .....	8
Commissioners and Staff 2014-2015 .....	9
Appendix - Financial Statements for 2014-2015 .....	12

## THE COMMISSION

The Law Reform Commission of Nova Scotia was created in 1991, pursuant to the *Law Reform Commission Act*. The Commission reviews Nova Scotia's laws and makes recommendations for their improvement, modernization and reform.

The Commission is independent of the Government. It reports to the public and the elected representatives of Nova Scotia through the Attorney General of Nova Scotia.

The Commission is funded jointly by the Government of Nova Scotia and the Law Foundation of Nova Scotia. The Law Foundation, which funds work relating to law reform, legal education, and the administration of justice, receives its funds from the interest on lawyers' trust accounts.

The Commissioners are appointed from different sectors of the community, including: (a) a judge of a court of the Province; (b) two members of the Nova Scotia Barristers' Society; (c) a member of the faculty of the Schulich School of Law, Dalhousie University; and (d) up to three other persons appointed by the provincial government. At least one of the Commissioners must not be a graduate in law.

The Commission employs a staff of three: the Executive Director, Legal Research Counsel, and a Financial Administrator. As well, the Commission benefits from the continuing contribution of its founding President, Professor William H. Charles, Q.C., as Special Counsel to the Commission. Professor Charles has provided valuable assistance with all Commission projects during the past year.

The Commission has published 51 project papers and reports, and 24 annual reports. All publications are available on the Commission's [website](#).

Since it began operation in 1991, many of the Commission's recommendations have been adopted directly in new legislation or improvements to existing statutes. The Commission's first report led to the creation of Nova Scotia's family maintenance enforcement program, under the *Maintenance Enforcement Act*. The Commission's reports on probate law and the law of wills resulted in a new *Probate Act* in 2000 and significant reforms to Nova Scotia's *Wills Act* in 2006. Its 2003 report on builders' liens resulted in a reformed *Builders' Lien Act* in 2004. The Commission's recommendations in relation to mental health law formed the basis for many of the provisions of the *Involuntary Psychiatric Treatment Act* of 2005. A report on substitute decision-making for personal care decisions provided background for the *Personal Directives Act* of 2008. The Commission's 2006 report on vexatious litigants resulted in amendments to the *Judicature Act* in 2009, to deal with those who unduly strain the time and resources of Nova Scotia courts.

More recently, the Government of Nova Scotia enacted regulations under the *Environment Act* in 2013 to promote the redevelopment of contaminated sites, relying on the Commission's 2009 report on that topic. In 2011, the provincial legislature passed legislation to abolish an antiquated and troublesome rule of law called the rule against perpetuities, following the Commission's 2010 report recommending the abolition of that rule. The Commission's report on the *Builders' Lien Act* resulted in amendments passed in 2013 to improve the process for paying out lien holdbacks.

## THE YEAR IN REVIEW 2014-2015

### Work Program and Publications

#### *Enforcement of Civil Judgments*

In August of 2014, the Commission published its Final Report on the enforcement of civil judgments. This project has its origins in the Commission's work in 2009 evaluating the Small Claims Court. In survey research, users of the Small Claims Court expressed general satisfaction with the workings of that court, but many were frustrated with the process for enforcing, or collecting on, judgments. The Attorney General asked the Commission to examine the issue of judgment enforcement in the civil justice system at large.

The project includes a specific issue relating to the seizure of judgment debtors' wages. This issue first arose during the drafting of Nova Scotia's new *Civil Procedure Rules*, and was referred to the Commission for study by the Attorney General.

The project was a response to the need for more accessible judgment enforcement processes - a critical but sometimes overlooked aspect of access to justice. During consultations the Commission heard from Nova Scotians who were disappointed to discover that collecting on a judgment in their favour was often a frustrating and laborious process. Judgment enforcement officers offer very little assistance in locating assets and income of the debtor. Particularly for judgment creditors acting without counsel the self-help options are complex and in some cases inaccessible.

The Commission was also concerned not to unduly compound the economic vulnerability of judgment debtors and their families. We learned that a very large percentage of civil judgment debts arise from a deepening trend of default on consumer credit. We heard about the dire financial situation of many judgment debtors and their families, and the need for better processes to ensure that judgment enforcement does not push them over the brink.

The Commission's Final Report recommends the adoption of comprehensive, modern

judgment enforcement legislation in Nova Scotia. It would include a simplified process for securing the defendant's property in advance of trial where appropriate, a streamlined procedure for registering judgments in order to bind the judgment debtor's property, and modern, comprehensive powers for seizing debtors' assets and income and distributing the proceeds. The report also recommends a series of exemptions from seizure, to protect debtors' interests in shelter, well-being and the means of earning a livelihood. Finally, the report recommends an improved system for exempting a portion of debtors' income which is attentive to debtors' individual circumstances, as well as effective provisions to protect exempt income once it has been deposited into the debtors' bank account.

### ***Powers of Attorney Act***

The Commission has been examining the Nova Scotia *Powers of Attorney Act*, in response to a reference from the Minister of Justice. The *Act* is significantly out of date, and its deficiencies have propelled recent litigation and piecemeal reform legislation. The legislation in other Canadian jurisdictions is far more modern and expansive, particularly with regard to the duties of the attorney and the protection of the donor. The project provides an opportunity to strengthen Nova Scotia's laws for the protection of seniors, and others who rely on substitute decision-makers, against financial exploitation.

The Commission published a Discussion Paper in March of 2014. The Paper makes approximately 150 proposals for legislative reform, as well as for significant public legal education programs to increase public knowledge of the benefits and risks of making a power of attorney, access to justice initiatives to prevent and respond to financial abuse using a power of attorney, and more effective enforcement by public authorities.

Access to justice is a priority in this project as well. The legislative proposals in the Discussion Paper are generally aimed at ensuring that the donor-attorney relationship is more transparent and accountable from the outset. This is so that it will not be left to the donor, or the donor's family, to go to the trouble and expense of court proceedings to bring the attorney to account, once suspicions of financial abuse arise.

The Commission also published a Response Booklet in May of 2014, which provided a user-friendly and accessible means to comment on the Commission's proposals. It was advertised and distributed widely across the province through public libraries, retirement communities, long-term care facilities, wellness centres, seniors centres, Access Nova Scotia locations, and through a number of community groups representing constituencies with an interest in powers of attorney and financial abuse.

During the late summer and early fall of 2014, the Commission held public meetings in communities around the province. The Commission was able to enlist local RCMP Senior Safety Coordinators in each locality to set up the meetings. These meetings were a further

opportunity to gain feedback on the Commission's proposals for reform, and to provide some significant public legal education on powers of attorney.

Since last summer the Commission has been considering the many comments and suggestions it received in response to the Discussion Paper, Response Booklet and at community meetings. The Commission expects to deliver its Final Report later this year.

### ***Matrimonial Property Act***

In April of 2012, the Commission decided to review the Nova Scotia *Matrimonial Property Act*. It has been 30 years since the *Act* came into force, and it has not been substantially amended since then. Family law stakeholders have said that the *Act* is in need of reform in a number of areas. The *Act* affects a large number of Nova Scotians - family law litigation representing a substantial proportion of contested matters in Nova Scotia courts. A number of other jurisdictions have significantly strengthened their matrimonial property legislation in recent years.

The Commission convened an advisory group, consisting of members of the legal profession with experience in family law, the Schulich School of Law at Dalhousie University, the Nova Scotia Supreme Court (Family Division), and a Chartered Accountant who specializes in matrimonial property division. The group met through the Winter and Spring of 2014, working through issues identified in an extensive issues paper prepared by Commission staff.

The Commission convened a separate advisory group of estate planning and family law practitioners and faculty members from the Schulich School of Law to advise on issues that arise when family property is divided after the death of a spouse. The estates and succession advisory group met through the early winter of 2015.

Throughout the 2014-2015 reporting period the Commission has been preparing a Discussion Paper, based on the advice of the advisory groups and the Commission's own comparative research and public consultation. The paper will address critical family law issues, including whether common law spouses should have access to the *Act's* regime for property division, how to make matrimonial property disputes more certain and predictable to limit the necessity for court proceedings, whether the *Act* should continue to include assets owned by either spouse prior to the marriage in a division, how pensions should be divided, and many others.

### ***Intestate Succession Act***

In December 2013 the Commission decided to review the *Intestate Succession Act*. The *Act* governs the distribution of property of a deceased person who has not made a valid

will, as well as any property which is not dealt with by a will. The *Act* has significant access to justice implications because it determines how surviving family members will inherit from the estate of a deceased person who has not made a will. The *Act* provides for a preferential share of the estate for the deceased's spouse, and the remainder to be divided between the spouse and other descendants of the deceased.

The *Act* was first introduced in 1966, when the monetary value of property was much lower, and ideas about inheritance focused more on inter-generational wealth transfers, as opposed to the material well-being of surviving spouses or common law partners. The *Act* was written at a time when multiple marriages and cohabitations, same sex marriages and cohabitations, "blended families" and artificially conceived children, were much less prevalent than they are today.

Among other things, the Commission is examining whether the *Act* should include common law partners as spouses, and if so in what circumstances. The spouse's preferential share is also being reviewed. It is currently \$50,000 (or the spouse may elect to receive the deceased's primary residence) but that figure has not been adjusted since 1975.

The Commission is also looking at the question of who should be considered an "issue" of the deceased, entitled to a share of the estate. Currently step-children who were not adopted by the deceased are not included, nor are children to whom the deceased stood *in loco parentis*. As well, the *Act* does not deal with various other biological and social relationships of parentage that may be formed by the use of reproductive technologies.

During the reporting period Commission staff continued comparative legal and sociological research, for the purpose of preparing an issues paper. The issues paper will provide the background for the deliberations of the Commission's advisory group, which has yet to be convened. The Commission also had the benefit of a third year student placement from the Schulich School of Law at Dalhousie University over the Winter term, through the law school's for-credit Public Law Placement program. The student undertook significant research into the question of the spouse's preferential share. Another student has volunteered to assist with this project over the summer of 2015.

### **Funding & Finances**

The Commission's audited financial statements for the year ending 31 March 2014 are attached to this report as an Appendix. During the reporting period, the Commission received operational funding in the amount of \$106,744.00 from the Law Foundation of Nova Scotia, and \$184,824.00 from the Government of Nova Scotia. The Commission incurred an operating deficit of approximately \$9,400.

In September 2014 the Commission relocated its offices to space provided by the Government of Nova Scotia. The Commission's offices are now on the fifth floor of the Joseph Howe Building, 1690 Hollis Street in Halifax.

The Commission's Administrative Assistant, Andrea Davidson, retired in October of 2014 after many years of dedicated service. The Commission's new Administrative Assistant and Financial Administrator, Tara Wall, brings abundant experience as a financial manager in the private sector.

## COMMISSIONERS AND STAFF 2014-2015

### Commissioners

#### **Darlene Jamieson Q.C.**, President

Ms. Jamieson was appointed to the Commission by the Council of the Nova Scotia Barristers' Society in June 2002. She has been a partner in the law firm Merrick Jamieson Sterns Washington & Mahody since 1998 with preferred areas of practice being civil litigation, including insurance, banking, construction and employment law. She has held numerous and varied posts with the Nova Scotia Barristers' Society. Ms. Jamieson was appointed as President of the Commission in June of 2012.

#### **Robert J. Currie**, Vice-President

Professor Currie was appointed to the Commission by Order in Council in January 2010. He is an Associate Professor at the Schulich School of Law, Dalhousie University, and Director of Dalhousie's Law & Technology Institute. He is a specialist in the area of international and transnational criminal law, and is the author of numerous books, articles and comments in that field. In 2008, Professor Currie was awarded the Dalhousie Law Students' Society and Alumni Association Award for Excellence in Teaching. He has been a member of the Nova Scotia Bar since 2000.

#### **Kevin Coady**

The Honourable Mr. Justice Coady was appointed to the Commission by Order in Council in December 2007. Mr. Justice Coady was called to the Nova Scotia Bar in 1981, and appointed to the Supreme Court of Nova Scotia in 2003. Prior to his judicial appointment, he practiced law in Nova Scotia with the law firm Coady Filliter and has taught criminal law at Dalhousie University.

#### **Brian R. Joseph**

Dr. Joseph was appointed to the Commission by Order in Council in April 2010. He is a graduate of St. Francis Xavier University (B.Sc. and B.A. Hons), the University of Toronto (M.A.), and Harvard University (A.M. and Ph.D). Dr. Joseph has taught at Dalhousie, Saint Mary's, St. Francis Xavier, and Cape Breton universities. He has served in the Nova

Scotia Attorney General's Department and the Privy Council Office, Government of Canada.

**D. Peter Mancini (until February 2015)**

Mr. Mancini was appointed to the Commission by Order in Council in June 2011. He attended Dalhousie University where he earned a B.A. (Honours) degree, major in Political Science before entering Dalhousie Law School and earning a LLB. He has practiced with Nova Scotia Legal Aid for 25 years, taking two leaves of absence. He taught at Cape Breton University and was a Member of Parliament for the riding of Sydney Victoria. During that period he was a member of the standing committee on Justice and Human Rights. In 2001 he returned to Nova Scotia Legal Aid as a full time staff lawyer with a focus on criminal law. In 2010 he was named the Service Delivery Director for Nova Scotia Legal Aid and joined the executive branch of the organization. He has presented at criminal law conferences and family law conferences sponsored by the Nova Scotia Barristers' Society, Canadian Bar Association, and the Criminal Lawyers Association.

**Richard J. Melanson**

Mr. Melanson was appointed to the Commission by the Council of the Nova Scotia Barristers' Society in September of 2012. He is a partner with the Halifax law firm of Blois, Nickerson & Bryson LLP. His areas of practice include administrative law, bankruptcy and insolvency, civil litigation, corporate & commercial, intellectual property and real estate. Mr. Melanson graduated from the Université Sainte-Anne with a Bachelor of Arts (Honours) in 1981, and a Bachelor of Education (Honours) in 1983. In 1988 he graduated from Dalhousie Law School as Gold Medalist. He is a member of the Board of Examiners of Nova Scotia Social Workers' Association and chair of the Discipline Committee, and has been a member of the Agreement on Internal Trade Working Group. He is a Director and current Treasurer of Canadian Parents for French - Nova Scotia.

**Catherine D.A. Watson (since February 2015)**

Ms. Watson was appointed to the Commission by Order in Council in February 2015. She is a Partner in McInnes Cooper's Halifax office and leader of the firm's regional estates and trusts service group. She is a regular speaker on the subjects of estate trust and tax planning to various professional organizations and the public, and a frequent author of articles on these subjects in various newspapers and newsletters. She has been an instructor at the Ontario Bar Admissions course in the area of estate planning. Ms. Watson has been recognized by Best Lawyers in Canada and is listed in the Canadian Legal Lexpert Directory. She is the Past President and a current member of the Halifax Estate Planning Council and is a member of the Society of Trust and Estates Practitioners, the Canadian Bar Association, the Nova Scotia Barristers' Society and the International Bar Association. She is Past Chair of the Wills & Estates Section of the Canadian Bar Association – Nova Scotia and is the Co-Founder and Past Chair of the Pride Business Network in Toronto, Ontario.

## **Staff**

### **Angus Gibbon**

#### *Executive Director*

Mr. Gibbon joined the Commission as Legal Research Counsel in August 2009, and was appointed Executive Director in April of 2011. A graduate of Acadia University, he received his law degree from the University of Toronto in 1999, followed by a Ph.D. from the University of Toronto in 2005. Mr. Gibbon was called to the Nova Scotia Bar in 2004 and was in private practice before joining the Commission. He has served on the part-time faculty of the Schulich School of Law at Dalhousie University, teaching Comparative Constitutional Law and coaching the Laskin Moot team. He is currently a member of the Nova Scotia Barristers' Society Code of Conduct Committee.

### **Ilana Luther**

#### *Legal Research Counsel*

Ms. Luther joined the Commission in June 2011. After receiving her Bachelor of Arts from Carleton University, she received a Master of Arts in Political Science from York University. In 2004, Ms. Luther received her law degree from Osgoode Hall Law School, followed by a Master of Laws from Harvard Law School. She has worked for legal aid both in Ontario and in Nova Scotia. She is currently a Doctoral candidate at the Schulich School of Law at Dalhousie University.

### **Tara Wall**

#### *Financial Administrator and Administrative Assistant*

Ms. Wall joined the Commission in October 2014. She brings abundant experience as a financial manager and administrative professional in the private sector.

### **William H. Charles, Q.C.**

#### *Special Counsel*

Professor Charles has acted as Special Counsel to the Commission since 2001. He is a graduate of Dalhousie (where he was Dean of Law 1979-1985), Concordia, Harvard and Michigan universities. Professor Charles was the first President of the Law Reform Commission, and held that position from 1991 until 1995. He serves on a number of Boards and Councils in Nova Scotia.

## APPENDIX - FINANCIAL STATEMENTS FOR 2014-2015



Financial Statements

Law Reform Commission of Nova Scotia

March 31, 2015

# Contents

	<b>Page</b>
Independent auditor's report	1-2
Statement of operations and changes in net assets	3
Statement of financial position	4
Statement of cash flows	5
Notes to the financial statements	6

## Independent auditor's report

To the Commissioners of  
**Law Reform Commission of Nova Scotia**

We have audited the accompanying financial statements of Law Reform Commission of Nova Scotia (the "Commission"), which comprise the statement of financial position as at March 31, 2015, the statements of operations, changes in net assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting standards for not-for-profit organizations, 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.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements 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 Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Halifax, Canada  
June 25, 2015

*Grant Thornton LLP*

Chartered Accountants

# Law Reform Commission of Nova Scotia

## Statement of operations and changes in net assets

Year ended March 31 2015 2014

### Revenue

Department of Justice	\$ 184,824	\$ 184,824
Law Foundation of Nova Scotia	106,744	106,744
Other income	<u>1,274</u>	<u>5,518</u>
	<u><b>292,842</b></u>	<u><b>297,086</b></u>

### Expenditures

Bank fees	310	250
Commissioner's fees and expenses	8,131	3,367
Insurance	1,203	1,198
Library	2,293	2,098
Meetings	843	1,383
Miscellaneous	2,056	899
Office	7,879	7,094
Professional fees	4,350	1,612
Rent	18,628	24,000
Repairs and maintenance	-	1,279
Salaries and wages	249,191	247,263
Taxes	3,049	3,258
Utilities	<u>4,311</u>	<u>3,202</u>
	<u><b>302,244</b></u>	<u><b>296,903</b></u>

(Deficiency) excess of revenue over expenditures	\$ <u><b>(9,402)</b></u>	<u>183</u>
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Net assets, beginning of year	\$ 67,361	\$ 67,178
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(Deficiency) excess of revenues over expenditures	<u><b>(9,402)</b></u>	<u>183</u>
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Net assets, end of year	<u><b>\$ 57,959</b></u>	<u>\$ 67,361</u>
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# Law Reform Commission of Nova Scotia

## Statement of financial position

March 31 2015 2014

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### Assets

#### Current

Cash and cash equivalents	\$ 60,647	\$ 64,137
Prepaid expenses	538	-
HST receivable	<u>3,020</u>	<u>3,224</u>
	<u>\$ 64,205</u>	<u>\$ 67,361</u>

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### Liabilities

#### Current

Payables and accruals	\$ 6,246	\$ -
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### Net assets

Accumulated surplus	<u>57,959</u>	<u>67,361</u>
	<u>\$ 64,205</u>	<u>\$ 67,361</u>

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On behalf of the Board

\_\_\_\_\_ Commissioner

\_\_\_\_\_ Commissioner

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# Law Reform Commission of Nova Scotia

## Statement of cash flows

Year ended March 31	2015	2014
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
(Deficiency) excess of revenue over expenditures	\$ (9,402)	\$ 183
Changes in non-cash working capital		
HST receivable	204	504
Prepaid expenses	(538)	-
Payables and accruals	6,246	-
Deferred revenue	<u>-</u>	<u>(184,824)</u>
Net decrease in cash and cash equivalents	<u>(3,490)</u>	<u>(184,137)</u>
Cash and cash equivalents		
Beginning of year	<u>64,137</u>	<u>248,274</u>
End of year	\$ <u>60,647</u>	\$ <u>64,137</u>

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# Law Reform Commission of Nova Scotia

## Notes to the financial statements

March 31, 2015

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### 1. Nature of operations

The Law Reform Commission of Nova Scotia (the "Commission") was created in 1991 by the Government of Nova Scotia. The law which created the Commission is the Law Reform Commission Act, S.N.S. 1990, c. 17. The Commission is an independent advisor to the Government and is not a government department. The independence of the Commission enables it to make recommendations for law reform in a non-partisan manner. The Commission is a registered not-for-profit organization and is therefore exempt from income tax per the Income Tax Act.

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### 2. Summary of significant accounting policies

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

#### Revenue recognition

The Commission follows the deferral method of accounting for revenue. Grants from the Provincial Department of Justice and the Law Foundation of Nova Scotia are recognized as revenue in the year in which related expenditures are incurred. Revenue for interest is recorded on the accrual basis, once collectability is reasonably assured.

#### Cash and cash equivalents

Cash and cash equivalents for the purpose of the statement of cash flows include cash on hand, balances with banks and short term investments.

#### Use of estimates

The preparation of the financial statements in conformity with ASNPO requires the Commission's management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Certain of these estimates require subjective judgments by management that may be uncertain. Actual results could differ from those reported.

#### Financial instruments

##### *Initial measurement*

The Commission's financial instruments are measured at fair value when issued or acquired.

##### *Subsequent measurement*

At each reporting date, the Commission measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. All changes in fair value of the Commission's investments in equities quoted in an active market and in bonds are recorded in the statement of operations. The Foundation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, HST receivable and payables and accruals.

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### 3. Economic dependence

The Commission derives nearly all of its revenue through grants from the Department of Justice and the Law Foundation of Nova Scotia.