

serving manitobans for

40

years

annual report
2011/2012



Legal Aid Manitoba
L'Aide Juridique du Manitoba

“As you read this report full of numbers, try to appreciate that each number is a person who needed help.”

Legal Aid Manitoba
Sixteenth Annual Report
March 31, 1988

Letter to the Minister



Legal Aid Manitoba
L'Aide Juridique du Manitoba

FORTIETH ANNUAL REPORT
LEGAL AID MANITOBA
Fiscal Year Ending March 31, 2012

The Honourable Andrew Swan
Minister of Justice
Attorney General
Room 104 - Legislative Building
Winnipeg MB R3C 0V8

Dear Sir:

Pursuant to Section 28 of the *Legal Aid Manitoba Act*, I am pleased to submit the Fortieth Annual Report for the year ending March 31, 2012.

Detailed statistical information relating to clients, cases and costs is included. The report of the Auditor General and financial statements are attached. Also included is the Audited Statement of Compensation Paid to Council Members and Employees and the Statement of Private Bar Fees and Disbursements in excess of \$50,000 in accordance with Section 2 and 4 of the *Public Sector Compensation Act*.

Respectfully submitted,

MARIO SANTOS
Chair
Legal Aid Manitoba Management Council

“When the poor are voiceless,
decision makers not only
ignore their interests, they
often do not know that they
are ignoring them.”

Doug Smith, *IN THE PUBLIC INTEREST: The first 25 years
of The Public Interest Law Centre*, 2007, p.66

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message From the CHAIR

Legal Aid Manitoba (LAM) concluded another memorable year. The 2011/12 fiscal year was marked with a number of organizational changes, new initiatives and challenges.

Notably, LAM completely restructured and relocated all of its Winnipeg-based community law centres. The reorganization was spurred by the 2004 Perozzo Report's main findings to the Minister of Justice. The project involved moving over 135 staff employees from 2 existing leased facilities to 8 leased facilities, housing 12 offices, during a 6 month period. LAM created smaller community law centres to more effectively rely on staff lawyers to represent multiple criminal/youth co-accused as well as both parties in domestic disputes. LAM also established conflict offices in Dauphin and The Pas in response to the local economic realities and aging/declining private bar participation in these communities. This venture proved challenging due to budgetary constraints as it was necessary to change LAM's rural service delivery model without adding new staff positions. Fortunately, LAM was able to re-assign existing legal and support staff to establish both conflict offices.

LAM also implemented several initiatives to more efficiently manage our allocated staff and fiscal resources. Staff productivity and benchmarks, as identified by the Perozzo Report, were addressed with the implementation of the Complexity Weighted Caseload performance tool in 2009, which measures staff lawyers productivity using the private bar tariff of fees. A first for a Government Agency. Now we can make accurate cost comparisons and decide to issue certificates to the private bar or staff lawyers depending mostly on the cost. Billing

targets were set in 2011/12 for staff lawyers for various areas of legal expertise.

LAM spearheaded a project to revamp its existing after-hours custody call service. An automated system will be implemented to its *Brydges* program next fiscal year to better serve detained Manitobans and reduce the service's administrative costs. LAM will also be leveraging video conferencing technology to conduct more organizational meetings remotely thereby substantially reducing travel and accommodation costs. With the support of francophone organizations, and through LAM's existing resources, we are proud to finally be able to provide administrative and professional services to our clients in both official languages.

LAM faced a number of legal challenges to our independence. Several attempts were made to impose an obligation upon LAM to provide and/or pay fees for counsel to represent financially ineligible Manitobans. We are pleased that in all cases the Courts upheld LAM's independence. The established legal precedents will prove beneficial toward ensuring that LAM can continue meeting its mandated objectives of only providing legal services to financially eligible Manitobans.

I once again wish to thank the Government of Manitoba for their ongoing financial commitment to LAM as well as assisting us toward achieving greater independence.

A well functioning legal aid program is fundamental to a well functioning justice system. Funding for legal aid continues to be a challenge, and while as noted earlier, Manitoba has, to the best of their ability, been quite supportive in providing funding,

the same can't be said for Canada. As a result, LAM has not been able to increase our guidelines for several years. LAM's application refusal rates have been increasing year after year because our guidelines are over a decade old and no longer reflect the current financial realities of low-income Manitobans. This poses significant problems for the administration of Manitoba's justice system. Self-represented litigants slow down the legal system, and result in significant administrative cost burdens to the entire justice system.

We continue to have discussions with Manitoba with respect to increasing the guidelines; however it is unfair to expect that Manitoba should accept the entire financial costs associated with increasing the guidelines. I understand that Manitoba, along with all of the other provinces and territories, continues to press Canada to return to a more equitable sharing of legal aid program costs.

“Longstanding service appears to be the norm amongst LAM'S staff.”

I wish to extend well-earned credit and heartfelt thanks to Management Council, LAM staff, Advisory Committee, private bar and all other key stakeholders who continually provide their time and expertise to ensure that low-income Manitobans receive access to vital legal services. LAM and Management Council are particularly fortunate and grateful for their longstanding and unwavering commitment to our Organization's mandate.

Longstanding service appears to be the norm amongst LAM's staff. In 2011/12, LAM

was honoured when the Minister of Justice visited our Broadway office to present certificates to longstanding employees who have worked at LAM for 25 to 30 years. LAM/Management Council lost one of our valued long-term civil servants. Cynthia Menard retired after 32 years of faithful employment. During her last years of service, Cynthia was the Administrative Assistant for the Executive Director, the previous Board of Directors and now Management Council. Cynthia exemplified the calibre/quality of employees that Manitoba is so fortunate to have working within the civil service. Thank you Cynthia for your exceptional years of service at LAM.

I am also pleased that the Manitoba Government appointed two new Councillors to Management Council. Well-known Winnipeg lawyer James McLandress and Métis advocate Ernie Blais, joined the Council. Mr. Blais, for the previous 3 years volunteered on LAM's Advisory Committee and was its Chair at the time of the appointment to Management Council.

On behalf on LAM and Management Council, I look forward to our continued collaboration with the Manitoba Government, LAM staff, the private bar and other key stakeholders, as we strive to continue making a positive difference in low-income Manitobans' ability to access an efficient, effective and fair justice system.



Mario J. Santos
Chair, Management Council

message From the executive Director

Many structural changes have been completed in the fiscal year 2011/12, including:

- the establishment of four independent conflict-free criminal law offices in Winnipeg, namely, Riel Community Law Centre, Regency Community Law Centre, Riverwood Community Law Centre and Phoenix Community Law Centre;
- the establishment of three independent conflict-free family law offices in Winnipeg, namely, Prairie Community Law Centre, Agassiz Community Law Centre and Willow Community Law Centre;
- the establishment of an independent conflict office in Dauphin, namely Amisk Community Law Centre; and
- the establishment of the Winnipeg Application Centre and Winnipeg Criminal Duty Counsel Office at 100 – 287 Broadway. This office operates independently from our community law centres and removes many of the conflicts which flowed from duty counsel lawyers situated in community law centres in the past.

Legal Aid Manitoba (LAM) now has three fiscal years of data compiled with our introduction on April 1, 2009 of a complexity weighted productivity measure for staff lawyers and the introduction of legal matters as a base unit.

The complexity weighted productivity measure requires LAM staff lawyers to bill all of their completed cases pursuant to the Legal Aid Manitoba Tariff. This has allowed for a fair and equitable assignment of work based on complexity. It will now allow for an accurate analysis of service delivery efficiencies for both the private bar and staff lawyer delivery alternatives.

Our staff lawyers have been quite remarkable in making the transition to this new business approach to measuring productivity.

We are grateful to the Manitoba Government that we continue to be funded to provide business as usual. Of concern going forward is that we operate under the financial guidelines established in 2000. We have had to become more and more restrictive in our issuing policies in order to operate within set funding levels. The combination of our restrictive issuing and not raising the guidelines has resulted in a 40% decrease in the number of family certificates over the past two fiscal years.

We are mindful both of the Manitoba Government's strained resources and the impact of unrepresented litigants on the justice system. We will continue to advocate for an increase in the qualifying guidelines.

The reduction in Manitoba Law Foundation funding, resulting from low banking interest rates, continues. We thank the Manitoba Government for again covering this funding shortfall this fiscal period.

I thank our staff and our private bar partners for their dedication and commitment to the impoverished Manitobans who are the subject of our mandate.



Gil Clifford
Executive Director

executive management committee

Gil Clifford
Executive Director

Sam Raposo
Deputy Executive Director

Bruce Gammon
Legal Director

Robin Dwarka
Director of Finance

Peter Kingsley
Acting Senior Area Director

Regional Directors

Cathy Sherman
Winnipeg

Lorne Giesbrecht
Westman

Therese Koturbash
Parklands

Theresa McDonald
Northlands

“...Legal Aid is not a frill which can be trimmed when times are tough, but rather is an essential service which goes to the very heart of a just and democratic society.”

Legal Aid Manitoba
Fifteenth Annual Report
March 31, 1987

management council



Back row (from left to right): Ernie Blais, Kim Milne, Rose Buss, James McLandress
 Front row: Luis Martinez, Mario Santos, Diane Stevenson, Herbert Peters
 Missing: Wendy Whitecloud

Mario Santos, B.A., LL.B., Chair
 Barrister & Solicitor

Wendy Whitecloud, Vice-Chair
 Director, Academic Support Program
 Faculty of Law, University of Manitoba

Rose Buss

Ernie Blais

Luis Martinez, R.T.

James McLandress

Kim Milne, Comptroller

Herbert Peters
 Barrister & Solicitor
 Partner; Aikins, MacAulay & Thorvaldson LLP

Diane Stevenson
 Barrister & Solicitor
 Stevenson & Desrochers Law Corporation

management council committees

Advisory

Dianna McGavin, Chair
Edward G. Rice, Vice-Chair
Estelita Dugque Antonio
Bob Godin
Zita Lopes
Christian Monnin
Anna Pazdzierski
Amanda Sansregret
Mary Troszko
Janelle Wagner
Gerri Wiebe

Appeals - Client

Rose Buss
Luis Martinez
Mario Santos, ex-officio

Appeals - Taxation

Diane Stevenson
Kim Milne
Mario Santos, ex-officio

Finance/Audit/Human Resources

Luis Martinez, Chair
Kim Milne
Ernie Blais
Mario Santos, ex-officio

Governance

Herbert Peters, Chair
Luis Martinez
James McLandress
Mario Santos, ex-officio

Consultant: Kaye Grant

Policy Services

Wendy Whitecloud, Chair
Rose Buss
Kim Milne
Mario Santos, ex-officio



Back row (from left to right): Edward G. Rice, Zita Lopes, Christian Monnin, Bob Godin
Front row: Amanda Sansregret, Mary Troszko, Dianna McGavin, Estelita Dugque Antonio
Missing: Anna Pazdzierski, Janelle Wagner, Gerri Wiebe

HAPPY BIRTHDAY LEGAL AID!

On January 1, 2012 Legal Aid Manitoba (LAM) celebrated its 40th year providing legal assistance to the low-income people of Manitoba!

In 1972 LAM opened its first community law centre, the Neighbourhood Legal Aid Centre, on Isabel Street in Winnipeg's inner city. Application and certificate issuing were regionally handled by four area offices – Winnipeg, The Pas, Brandon and Dauphin – all four of which remain operational to this day.

Within the first six months, we were assisting more than 9,000 people in criminal, domestic and civil matters with plans of opening a second inner city law clinic to meet the overwhelming demand.

By 1982 we had grown to include seven community law centres across Manitoba with no signs of slowing down.

We continued to grow at a rapid pace throughout the 1990s and 2000s, entering the new millennium by amalgamating some of our smaller offices into bigger ones in order to maximize efficiencies within

our service delivery. LAM also implemented one of the first ever Expanded Eligibility programs of any Canadian legal aid plan bringing affordable legal services to the working poor.

New legislation in 2005 saw our name change from The Legal Aid Services Society of Manitoba to Legal Aid Manitoba, a name that the organization had unofficially adopted in the mid-1990s.

In 2012 LAM remains one of the most robust legal aid plans in the country providing legal aid coverage to over 70,000 Manitobans through a network of 18 community law centres and 219 private bar lawyers. Throughout our 40 year history we have been fortunate to work with dedicated and experienced staff, private bar lawyers and other key stakeholders whose bottom line has always been about helping to ensure equal access to justice for all Manitobans, regardless of their social standing within the community.

We will continue to strive for a balanced and equal justice system for all people in Manitoba.



LAM Logo 1972 - 2006



LAM Logo 2006 - Present

PUBLIC INTEREST LAW CENTRE

- During the first year of its operation, the Residential Tenancies Pilot Project provided information to 600 consumers and representation at close to 80 hearings. Estimates to date suggest that staff were successful in about 65% of cases where tenants were at risk of losing their homes.
- 49 persons with intellectual disabilities will be enabled to leave a large institution and returned to supported living in the community. This followed the November 2011 settlement of a human rights complaint launched by the Centre on behalf of Community Living Manitoba against the long-term institutionalization of persons with intellectual disabilities at the Manitoba Developmental Centre.
- Consumers of Manitoba Public Insurance received an 8% or roughly \$60 million rate reduction as a result of a Public Utilities Board (PUB) Order in November of 2011. MPI consumers were represented by the Centre on behalf of CAC Manitoba.
- Manitoba Hydro's request for rate increases were significantly reduced as a result of a PUB Order in January of 2012. For consumers, the cumulative reduction from previously applied for rate increases was close to \$30 million. Hydro residential consumers were represented by the Centre on behalf of CAC Manitoba.
- In June of 2011, the PUB ordered Manitoba Public Insurance ratepayers to receive an additional \$16 million one time only rebate. The hearing leading to the rebate was initiated as a result of a motion of CAC Manitoba represented by the Centre.

“Despite the challenges and possible uncertainty over the next several years, the future of Legal Aid Services is encouraging.”

Legal Aid Manitoba
Ninth Annual Report
March 31, 1981

WHISTLEBLOWER Protection Act

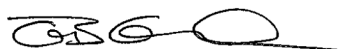
The *Public Interest Disclosure (Whistleblower Protection) Act* came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or, knowingly directing or counselling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the Act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the Act, and must be reported in a department's annual report in accordance with section 18 of the Act.

There were no disclosures under section 10 or section 14 of the *Whistleblower Protection Act* during the period between April 1, 2011 and March 31, 2012. The activity under this Act is set forth in the disclosure reporting matrix below:

Information required annually (per section 18 of the Act)	Fiscal year 2011/12
The number of disclosures received and the number acted on and not acted on. subsection 18(2)(a)	NIL
The number of investigations commenced as a result of a disclosure. subsection 18(2)(b)	NIL
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no correction action was taken. subsection 18(2)(c)	NIL



Bruce Gammon
Legal Director & Designated Officer under the *Whistleblower Protection Act*
Legal Aid Manitoba

Statistics

Community Law Centre Statistics

	Supervising Attorney	Staff Lawyer	Paralegal	Articling Student	Support Staff	Total
Agassiz Community Law Centre	1	3	0	1	3	8
Child Protection Law Office	1	2	1	1	2	7
Criminal Duty Counsel Office	1	4	0	2	0	7
Phoenix Community Law Centre	1	4	0	1	3	9
Prairie Community Law Centre	1	2	0	2	3	8
Public Interest Law Centre	1	3	1	2	2	9
Regency Community Law Centre	1	4	0	1	3	9
Riel Community Law Centre	1	4	0	1	3	9
Riverwood Community Law Centre	1	4	0	1	3	9
University Law Centre	0	0	0	0	1	1
Willow Community Law Centre	1	3	0	1	3	8
Amisk Community Law Centre	1	1	1	0	1	4
Kelsey Community Law Centre	1	1	0	0	1	3
Northlands Community Law Centre	1	1	0	2	2	6
Parklands Community Law Centre	1	1	2	0	1	5
Thompson Community Law Centre	1	2	1	2	2	8
Westman Community Law Centre	1	3	1	0	2	7
All Community Law Centres	16	42	7	17	35	117

Service Delivery Volumes	2011/2012	2010/2011
Application Services		
Applications Received ¹	31,597	30,294
Applications Refused	7,934	8,055
Legal Matters Issued (Opened Cases)		
Criminal Adult	16,885	15,527
Criminal Youth	3,682	3,977
Family	5,729	5,332
Other Civil	191	137
<i>Total Legal Matters Issued² (a)</i>	26,487	24,973
<i>LM issued to Private Bar</i>	16,064	14,433
<i>LM issued to Staff</i>	10,423	10,540
Other Services		
Duty Counsel Assists (b)	36,178	42,625
Drop-In and Phone Assists (c)	8,260	9,021
TOTAL ASSISTS (a + b + c)³	70,925	76,619
Legal Matters Closed		
Criminal Adult	15,360	15,611
Criminal Youth	3,698	3,816
Family	5,367	5,494
Other Civil	204	169
<i>Total Legal Matters Closed</i>	24,629	25,090
<i>LM closed by Private Bar</i>	14,569	14,077
<i>LM closed by Staff</i>	10,060	11,013
Appeal Services		
Appeals to Management Council		
Criminal (includes Adult and Youth matters)	73	52
Family	65	52
Civil	15	18
<i>Total Management Council Appeals⁴</i>	153	122

Notes:

1 Statistics include applications and non-initial legal matters. Non-initial legal matters are any subsequent legal matter that may attract coverage under an existing (open) client certificate. Non-initial legal matters are subject to the same eligibility criteria applied to all applications.

2 LAM uses a mixed-model service delivery system. In 2011/12, the ratio of private bar to staff services was 61:39 (58:42).

3 In 2011/12 a total of 70,925 (76,619) people were assisted either on a formal or informal basis. This represents a decrease of 7.4% over the previous fiscal year.

4 Management Council refused 101 (101) appeals, granted legal coverage in 45 (20) appeals and adjourned 7 (1) appeal(s).

“ In less than five
years of
operation

Legal Aid Manitoba

had achieved
a milestone
by assisting
175,000 people.”

Legal Aid Manitoba
Fifth Annual Report
March 31, 1977

FINANCIAL OVERVIEW

Sources of Funding

During 2011/2012, Legal Aid Manitoba (LAM) received funding from three sources:

1. Funds appropriated by the Provincial Government through Manitoba Justice.
2. Statutory and discretionary grants from the Manitoba Law Foundation.
3. Client contributions, costs awarded by the Court on behalf of clients, interest earned on monies invested, and miscellaneous receipts.

The Government of Canada reimbursed the Province for some of the legal aid expenditures on federal criminal matters (adult and youth). The contribution agreement was renewed to March 31, 2012.

Distribution of Funding

LAM divides its budget into two general areas of direct legal service and administration. The table below shows the distribution.

Significant Pressures on LAM

- LAM's low financial guidelines continue to exclude many low-income Manitobans from accessing legal aid. The current state of the economy makes it very difficult to increase the guidelines.
- LAM is hopeful that a new process currently underway with other stakeholders within the justice system will lead to a better functioning, more effective system in the coming years.

	2012 (\$000's)	2011 (\$000's)
Operating Revenue:		
Province of Manitoba Appropriation	\$27,967	\$24,666
Other	2,736	2,581
TOTAL REVENUE	30,703	27,247
Operating Expense:		
Private Bar ¹	10,043	9,546
Direct legal services ²	17,900	17,843
Administration ³	1,578	1,451
TOTAL EXPENSE	29,521	28,840
EXCESS OF REVENUE (EXPENSE)	\$1,182	(\$1,593)

¹ Private bar fees and disbursements include an accrual for outstanding cases at the end of the year.

² Direct legal services expenditures include salaries and benefits, travel, provision of legal services, taxation, collection and other legal expenses.

³ Administration includes Management Council, the Executive Management Committee and other administrative expenses for Winnipeg.

RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of Legal Aid Manitoba are the responsibility of management and have been prepared in accordance with the accounting policies stated in Note 2 to the financial statements for the year ended March 31, 2012.

As management is responsible for the integrity of the financial statements, management has established systems of internal control to provide reasonable assurance that assets are properly accounted for and safeguarded from loss.

The responsibility of the Auditor General is to express an independent professional opinion on whether the financial statements are fairly presented in accordance with the accounting policies stated in the financial statements. The Auditor's Report outlines the scope of the audit examination and provides the audit opinion.



Gil Clifford
Executive Director
Legal Aid Manitoba

August 21, 2012



auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Management Council of Legal Aid Manitoba

We have audited the accompanying financial statements of Legal Aid Manitoba, which comprise the statement of financial position as at March 31, 2012, and the statements of revenue and expense, changes in net assets and cash flow 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 these financial statements in accordance with Canadian generally accepted accounting principles 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 entity'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 entity'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 Legal Aid Manitoba as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.


Office of the Auditor General

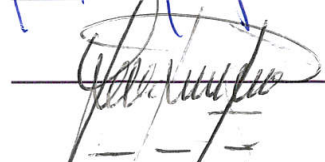
Office of the Auditor General
August 21, 2012
Winnipeg, Manitoba

Financial Statements

LEGAL AID MANITOBA		
Statement of Financial Position as at March 31		
ASSETS	2012	2011
Current Assets		
Cash	\$ 1,617,688	\$ 895,144
Client accounts receivable (Note 3)	196,059	246,344
Receivable from the Province of Manitoba	4,956,000	4,635,000
Receivable from the Government of Canada	171,896	124,541
Other receivables (Note 4)	323,444	188,308
Prepaid expenses	298,668	301,215
	7,563,755	6,390,552
Capital Assets (Note 5)	414,286	203,657
Long-term receivable - charges on land (Note 6)	764,672	768,803
Long-term receivable - severance - Province of Manitoba (Note 7)	716,166	716,166
Long-term receivable - pension - Province of Manitoba (Note 14)	19,097,212	18,185,771
	\$ 28,556,091	\$ 26,264,949
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 4,424,250	\$ 4,377,871
Accrued vacation pay	1,192,740	1,078,918
Deferred revenue from clients	395,875	376,607
Deferred contribution from Province of Manitoba	-	30,000
	6,012,865	5,863,396
Severance Liability (Note 8)	1,930,906	1,883,129
Provision for employee pension benefits (Note 14)	19,097,212	18,185,771
	21,028,118	20,068,900
Net Assets		
Invested in Capital Assets	414,286	203,657
Restricted Net Assets (Note 15)	78,559	78,559
Unrestricted Net Assets	1,022,263	50,437
	1,515,108	332,653
	\$ 28,556,091	\$ 26,264,949

Approved by the Council

 Chair

 Council Member

LEGAL AID MANITOBA
Statement of Revenue and Expense
for the year ended March 31

	2012	2011
Revenue		
Province of Manitoba (Note 9)	\$ 27,967,105	\$ 24,666,304
Manitoba Law Foundation (Note 10)	885,954	766,350
Contributions from clients	867,109	1,145,601
Recoveries from third parties	879,307	710,671
Government of Canada	160,052	132,130
Judgment costs and settlements	100,461	100,282
Interest Income	1,852	12,925
Other	41,147	10,363
	30,902,987	27,544,626
Expense		
Private bar fees and disbursements (Note 13)		
Legal aid certificates	\$ 9,362,723	\$ 8,829,857
Duty counsel services	623,859	670,970
Transcripts	56,542	45,143
	10,043,124	9,545,970
Community Law Centres, Schedule 1	12,599,295	12,046,360
Public Interest Law Centre, Schedule 1	1,202,723	1,114,586
University Law Centre, Schedule 1	119,371	114,903
General and Administrative, Schedule 1	5,756,019	6,316,269
	29,720,532	29,138,088
Excess of Revenue (Expense)	\$ 1,182,455	\$ (1,593,462)

LEGAL AID MANITOBA
Statement of Changes in Net Assets
for the year ended March 31

	Invested in Capital Assets	Restricted Net Assets (Note 15)	Unrestricted Net Assets	Total 2012	Total 2011
Balance, Beginning of Year	\$ 203,657	\$ 78,559	\$ 50,437	\$ 332,653	\$ 1,926,115
Excess of Revenue (Expense)	(92,081)	-	1,274,536	1,182,455	(1,593,462)
Capital Asset Additions	302,710	-	(302,710)	-	-
Balance, End of Year	\$ 414,286	\$ 78,559	\$ 1,022,263	\$ 1,515,108	\$ 332,653

LEGAL AID MANITOBA
Statement of Cash Flow
for the year ended March 31

	2012	2011
Cash Flow Provided by (Used In) Operating Activities:		
Excess of Revenue (Expense)	\$ 1,182,455	\$ (1,593,462)
Add items not affecting cash		
Amortization	92,081	104,017
Loss on disposal of capital assets	-	16,370
Changes in working capital:		
Client accounts receivable	50,285	(10,675)
Province of Manitoba receivable	(321,000)	602,000
Government of Canada receivable	(47,355)	(14,145)
Other receivables	(135,136)	(84,460)
Prepaid expenses	2,547	(119,535)
Accounts payable and accrued vacation pay	160,201	(333,137)
Deferred revenue	19,268	(29,750)
Deferred contribution from Province of Manitoba	(30,000)	-
Charges on Land	4,131	(54,298)
Long-term funding commitments - pension	(911,441)	(1,556,071)
Severance liability	47,777	164,129
Provision for employee pension benefits	911,441	1,556,071
	1,025,254	(1,352,946)
Cash Flow Provided by (Used In) Investing Activities		
Redemption of short-term investment	-	1,400,000
Purchase of capital assets	(302,710)	(29,675)
	(302,710)	1,370,325
Net Increase (Decrease) in Cash for the Year	722,544	17,379
Cash - Beginning of Year	895,144	877,765
Cash - End of Year	\$ 1,617,688	\$ 895,144
Supplemental Cash Flow Information		
Interest Received	\$ 1,852	\$ 12,925

SCHEDULE 1

LEGAL AID MANITOBA
Schedule of Expenses
for the year ended March 31

	COMMUNITY LAW CENTRES		PUBLIC INTEREST LAW CENTRE		UNIVERSITY LAW CENTRE		GENERAL AND ADMINISTRATIVE		TOTAL	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,749	\$ 25,726	\$ 28,749
Amortization	44,168	56,925	2,368	3,165	1,886	1,886	42,041	43,659	92,081	104,017
Bad debts	-	-	-	-	-	-	-	287,601	192,762	287,601
Bank charges	-	-	-	-	-	-	-	2,250	2,180	2,250
Collection Costs	-	-	-	-	-	-	9,817	6,502	6,502	9,817
Computer Costs	79,007	30,656	2,153	107	-	-	28,509	19,260	100,420	59,272
Council expenses	-	-	-	-	-	-	157,328	168,516	168,516	157,328
Duty counsel	240,334	260,903	2,055	3,032	-	-	1,825	1,524	243,913	265,760
Equipment maintenance	107,174	95,341	8,407	10,689	1,346	1,346	43,762	44,331	160,701	151,138
File disbursements	352,572	327,634	340,231	306,991	1,163	1,163	27,691	35,780	730,499	663,479
Library	72,946	75,396	6,896	7,342	197	198	1,980	1,581	81,620	84,916
Meetings	5,686	9,695	1,143	1,772	1,124	1,124	9,510	12,721	20,874	22,101
Office expenses	197,929	199,932	17,959	21,557	5,573	5,573	107,731	127,951	350,193	334,793
Office relocation	80,784	19,605	7,996	-	-	-	-	42,457	131,237	19,605
Pension costs (Note 14)	-	-	-	-	-	-	2,272,232	1,646,709	1,646,709	2,272,232
Premise costs	770,402	683,059	30,085	23,737	93	41	168,224	204,894	1,005,474	875,061
Professional fees	174,637	155,422	10,865	12,302	650	703	126,897	129,319	315,471	295,324
Salaries, benefits and levy	10,153,791	9,810,819	739,783	702,517	94,963	90,740	2,676,966	2,793,625	13,782,162	13,281,042
Severance benefits	-	-	-	-	-	-	217,482	142,488	142,488	217,482
Staff development	62,585	86,337	11,853	4,395	22	-	8,026	1,808	76,268	98,758
Staff recruitment	15,367	27,613	192	870	65	-	2,981	2,845	18,469	31,464
Telephone	112,268	98,944	10,216	7,950	2,524	2,524	74,962	88,753	213,745	184,380
Transcripts	27,096	29,110	-	-	327	327	-	-	27,378	29,437
Travel	102,549	78,969	10,521	8,160	9,278	9,278	19,705	20,628	142,020	116,112
TOTAL	\$ 12,599,295	12,046,360	1,202,723	1,114,586	119,371	114,903	6,316,269	5,756,019	19,677,408	19,592,118

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

1. Nature of the Corporation

Legal Aid Manitoba (the Corporation) was established by an Act of the Legislative Assembly of Manitoba.

The purpose of the Corporation, as set out in the Act, is to service the public interest by:

- a) Providing quality legal advice and representation to eligible low-income individuals;
- b) Administering the delivery of legal aid in a cost-effective and efficient manner; and
- c) Providing advice to the Minister on legal aid generally and on the specific legal needs of low-income individuals.

The Corporation is economically dependent upon the Province of Manitoba. Other revenue sources include the Manitoba Law Foundation, individual clients, and third party agencies.

2. Significant Accounting Policies

a) General

The financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) for not-for-profit entities.

b) Financial Instruments

Financial assets and liabilities are initially recorded at fair value. Measurement in subsequent periods depends on the financial instrument's classification. Financial instruments are classified into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings. All other financial instruments are subsequently measured at amortized cost.

The financial assets and liabilities of the Corporation are classified and measured as follows:

Financial Asset/Liability	Category	Subsequent Measurement
Cash	Held for trading	Fair value
Client accounts receivable	Loans and receivables	Amortized cost
Receivable from the Province of Manitoba	Loans and receivables	Amortized cost
Receivable from the Government of Canada	Loans and receivables	Amortized cost
Other receivables	Loans and receivables	Amortized cost
Long-term receivables:		
• Charges on land	Loans and receivables	Amortized cost
• Severance - Province of Manitoba	Loans and receivables	Amortized cost
• Pension - Province of Manitoba	Loans and receivables	Amortized cost
Accounts payable	Other financial liabilities	Amortized cost

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at amortized cost are recognized in the statement of revenue and expense in the period the gain or loss occurs. Changes in fair value on financial instruments classified as held for trading are recognized in the statement of revenue and expense for the current period. Changes in fair value on financial instruments classified as available for sale are recorded in statement of changes in net assets until realized, at which time they are recorded in the statement of revenue and expense.

c) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

d) Revenue Recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

e) Recognition of Contributions from Clients

Clients may be required to pay a portion or all of the legal costs incurred on their behalf by the Corporation based on the clients' ability to pay.

i) Agreements to Pay

Clients who are able to pay, sign an agreement to pay for their portion of the applicable legal costs. The amount the client is required to pay is specified on the Legal Aid Certificate. The revenue and receivable are recognized when the service is provided.

ii) Expanded Eligibility

Under terms of expanded eligibility, clients are required to pay all of the legal costs and an administration fee of 25% of the Corporation's cost of the case up to a maximum of \$250. The revenue and receivable are recognized based on the date of the lawyer's billing.

iii) Charges on Land

Charges on land are registered under section 17 of the *Corporations Act* in a land titles office against property owned by clients. The revenue and receivable are recognized at the later of the date the lien is filed or the date

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

of the lawyer's billing. Collection of these accounts in the future is dependent on the client disposing of the property or arranging for payment.

f) Allowance for Doubtful Accounts

The allowances for doubtful accounts are determined annually based on a review of individual accounts. The allowances represent management's best estimate of probable losses on receivables. Where circumstances indicate doubt as to the ultimate collectability of an account, specific allowances are established for individual accounts. In addition to the allowances identified on an individual account basis, the Corporation establishes a further allowance representing management's best estimate of additional probable losses in the remaining accounts receivable.

g) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Amortization of capital assets is recorded on a straight-line basis over the estimated useful lives of the capital assets as follows:

- Furniture and office equipment - 10 years
- Computer hardware & software - 4 years
- Leasehold improvements - over the term of the lease

Work in progress assets are not amortized until the asset is available to be put into service.

h) Pension Plan

Employees of the Corporation are pensionable under the *Civil Service Superannuation Act*. The Civil Service Superannuation Plan is a defined benefit pension plan. The Corporation accrues a provision for the liability for the employer's share of employee pension benefits, including future cost of living adjustments, based on actuarial calculations. When actual experience varies from actuarial estimates, the adjustment needed is recognized immediately in net revenue (expense) in the year that the actuarial gain or loss arises.

i) Future Accounting Changes - accounting standards for government not-for-profit organizations

In December 2010, the Accounting Standards Board issued new accounting standards and guidelines applicable for not-for-profit organizations ("NPOs") and changes for government not-for-profit organizations ("GNPOs"). The Corporation has concluded that it is a GNPO and therefore will adopt the standards for GNPOs. A GNPO whose financial statements comply with the revised Canadian Institute of Chartered Accountants Public Sector Accounting handbook will state that its financial statements are in compliance with Canadian generally accepted accounting principles for GNPOs. The standards and guidelines will apply for fiscal years beginning on or after January 1, 2012 and will require retroactive application, except for certain exemptions and exceptions contained within the standards. Early adoption of the standards is permitted. The Corporation is currently considering the impact of the adoption of such standards and guidelines.

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 20123. Client Accounts Receivable

	2012	2011
Agreements to pay	\$ 58,859	\$ 64,606
Expanded eligibility	496,022	609,727
	554,881	674,333
Less: Allowance for Doubtful Accounts	358,822	427,989
Client accounts receivable	\$ 196,059	\$ 246,344

4. Other Receivables

	2012	2011
Court costs	\$ 193,210	\$ 181,422
Child and Family Services agencies	33,559	61,495
Employment and Income Assistance	150,236	114,623
Employee advances, GST recoverable, and miscellaneous	134,918	8,070
	511,923	365,610
Less: Allowance for Doubtful Accounts	188,479	177,302
Other receivables	\$ 323,444	\$ 188,308

5. Capital Assets

	2012		2011	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and office equipment	\$ 297,794	\$ 164,520	\$ 239,178	\$ 139,397
Computer hardware & software	278,035	163,661	269,529	182,989
Leasehold improvements	173,810	7,172	289,436	272,100
	\$ 749,639	\$ 335,353	\$ 798,143	\$ 594,486
Net book value		\$ 414,286		\$ 203,657

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

6. Charges on Land

	2012	2011
Charges on land	\$ 1,507,663	\$ 1,515,045
Less: Allowance for Doubtful Accounts	742,991	746,242
Charges on land	\$ 764,672	\$ 768,803

7. Long-term Receivable - Severance Benefits

The amount recorded as a receivable from the Province of Manitoba for severance pay was initially based on the estimated value of the corresponding actuarially determined liability for severance pay as at March 31, 1998. Subsequent to March 31, 1998, the Province provides annual grant funding for severance expense. As a result, the change in the severance liability each year is fully funded. The interest component related to the receivable is reflected in the funding for severance expense. The receivable for severance pay will be paid by the Province when it is determined that the cash is required to discharge the related severance pay liabilities.

8. Severance Liability

Effective April 1, 1998, the Corporation commenced recording the estimated liability for accumulated severance pay benefits for their employees. The amount of this estimated liability is based on actuarial calculations. The periodic actuarial valuation of this liability may determine that an adjustment is needed to the actuarial calculation when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are recognized immediately in net revenue (expense) in the year that the actuarial gain or loss arises.

An actuarial report was completed for the severance pay liability as at March 31, 2012 by Ellement & Ellement Consulting Actuaries. The Corporation's actuarially determined net liability for accounting purposes as at March 31, 2012 was \$1,930,906 (2011 - \$1,883,129). The report provides a formula to update liability on an annual basis.

Severance pay, at the employee's date of retirement, will be determined using the eligible employee's years of service and based on the calculation as set by the Province of Manitoba. The maximum payout is currently 23 weeks at the employee's weekly salary at the date of retirement. Eligibility will require that the employee has achieved a minimum of 9 years of service and that the employee is retiring from the Corporation.

Significant long-term actuarial assumptions used in the March 31, 2012 valuation, and in the determination of the March 31, 2012 present value of the accrued severance benefit obligation were:

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

	2012	2011
Annual rate of return		
Inflation component	2.00%	2.00%
Real rate of return	4.00%	4.00%
	6.00%	6.00%
Assumed salary increase rates		
Annual productivity increase	0.75%	0.75%
Annual general salary increase	2.00%	2.00%
	2.75%	2.75%

9. Revenue from the Province of Manitoba

	2012	2011
Grant	\$ 14,180,680	\$ 11,587,624
Salaries and other payments	11,792,320	11,220,418
Health and post secondary education tax levy	250,281	238,946
Employer portion of employee benefits	1,601,324	1,533,066
Other government agencies	142,500	86,250
	\$ 27,967,105	\$ 24,666,304

Grant revenue from the Province of Manitoba includes the Corporation's share of provisions recorded for unfunded pension liabilities.

10. Revenue from the Manitoba Law Foundation

	2012	2011
Statutory grant	\$ 619,954	\$ 500,350
Public Interest Law Centre	180,000	180,000
University Law Centre	86,000	86,000
	\$ 885,954	\$ 766,350

A statutory grant, pursuant to subsection 90(1) of the *Legal Profession Act*, is received annually from the Manitoba Law Foundation. The Corporation's share under the Act is 50% of the total interest on lawyers' trust accounts as received by the Foundation or a minimum of \$1,007,629, whichever is greater. In the event that interest received by the Foundation in the preceding year, after deduction of the Foundation's operational expenses, is not sufficient to pay the statutory minimum of \$1,007,629 to the Corporation, the Act provides for pro-rata sharing of the net interest. Therefore, in the current year \$619,954 was received because earnings were below the statutory minimum.

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

Other grants from the Manitoba Law Foundation are received pursuant to subsection 90(4) of the *Legal Profession Act*. These grants are restricted for the Public Interest Law Centre and the University Law Centre. At March 31, 2012, there were no funds remaining from these grants for the current year.

11. Commitmentsa) Lease

The Corporation rents facilities under operating leases. Unpaid remaining commitments under the leases, which expire at varying dates are:

2013	\$	973,193
2014		859,991
2015		743,871
2016		975,833
2017		918,717
Thereafter		7,722,224
	\$	12,193,829

b) Private Bar

Estimated total commitments for future billings on outstanding Legal Aid Certificates amount to \$1,708,000 as at March 31, 2012 (2011 - \$1,494,000).

12. Related Parties Transactions

The Corporation is related in terms of common ownership to all Province of Manitoba created departments, agencies and crown corporations. The Corporation enters into transactions with these entities in the normal course of business. These transactions are recorded at the exchange amount.

13. Private Bar Fees and Disbursements

	Fees	Disbursements	Total	
			2012	2011
Legal aid certificates	\$ 8,814,574	\$ 548,149	\$ 9,362,723	\$ 8,829,857
Duty counsel services	623,859	0	623,859	670,970
Transcripts	0	56,542	56,542	45,143
	\$ 9,438,433	\$ 604,691	\$ 10,043,124	\$ 9,545,970

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 201214. Provision for Employee Pension Benefits

Pension costs consist of benefits accrued, interest accrued on benefits and experience (gain) loss. This liability is determined by an actuarial valuation every three years with the balances for the intervening years being determined by a formula provided by the actuary. The most recent valuation was completed as at December 31, 2011 by Ellement & Ellement Consulting Actuaries. The actuary has projected the pension obligation to March 31, 2012.

	2012	2011
Balance at beginning of year	\$ 18,185,771	\$ 16,629,700
Benefits accrued	737,439	772,095
Interest accrued on benefits	1,182,146	1,082,749
Benefits paid	(735,268)	(716,161)
Experience (gain) loss	(272,876)	417,388
Balance at end of year	\$ 19,097,212	\$ 18,185,771

The Corporation's pension costs consist of the following:

	2012	2011
Benefits accrued	\$ 737,439	\$ 772,095
Interest accrued on benefits	1,182,146	1,082,749
Experience (gain) loss	(272,876)	417,388
	\$ 1,646,709	\$ 2,272,232

The key actuarial assumptions were a rate of return of 6.00% (2011 - 6.00%), 2.00% inflation (2011 - 2.00%), salary rate increases of 3.75% (2011 - 3.75%) and post retirement indexing 2/3 of the inflation rate. The projected benefit method was used and the liability has been extrapolated to March 31, 2012 using a formula provided by the actuary.

The Province of Manitoba has accepted responsibility for funding of the Corporation's pension liability and related expense which includes an interest component. The Corporation has therefore recorded a receivable from the Province equal to the estimated value of its actuarially determined pension liability \$19,097,212 (2011 - \$18,185,771), and has recorded revenue for 2011/12 equal to its increase in the unfunded pension liability during the year of \$911,441 (2011 - \$1,556,071). The Province makes payments on the receivable when it is determined that the cash is required to discharge the related pension obligation.

15. Restricted Net Assets - Wrongful Conviction Cases

During the fiscal year ended March 31, 2006 the Province of Manitoba approved a reallocation of \$130,000 from the Corporation's unrestricted net assets. This funding was provided for section 696 applications under the Criminal Code for wrongful conviction appeals. In the current fiscal year, the Corporation did not incur any expenses (2011 - nil) for private bar fees and disbursements related to wrongful conviction cases. The balance remaining is \$78,559.

LEGAL AID MANITOBA

**Notes to Financial Statements
for the year ended March 31, 2012**

16. Capital Management

The Corporation's objective when managing capital is to maintain sufficient capital to cover its costs of operations.

The Corporation's capital consists of the total of the various net asset balances in the amount of \$1,515,108 (2011 - \$332,653).

The Corporation is not subject to externally imposed capital requirements.

There were no changes in the Corporation's approach to capital management during the period.

17. Public Sector Compensation Disclosure

For the purposes of the *Public Sector Compensation Disclosure Act*, all compensation for employees, Management Council members, and the private bar fees and disbursements from the Corporation is disclosed in a separate statement.

18. Legal Aid Manitoba Application System (LAMAS)

A new software application system was installed and implemented fiscal 2006/07 at a cost of \$764,850. The system was paid for by the Department of Justice and therefore, a capital asset has not been recorded in these financial statements nor has any amortization expense been recorded.

19. Fair Value of Financial Instruments

The fair value of a financial instrument is the estimated amount that the Corporation would receive or pay to settle a financial asset or financial liability as at the reporting date.

Due to the redeemable nature of cash, carrying value is considered to be fair value.

The fair values of the client accounts receivable, receivable from the Province of Manitoba, receivable from the Government of Canada, other receivables and accounts payable approximates their carrying values due to their short-term maturity.

The fair value of the long-term receivable - Charges on land approximates the carrying value because it is estimated from an analysis of expected recoveries based on recent experience and discounted to reflect the time value of money.

The fair value of the long-term receivable from the Province of Manitoba - severance approximates its carrying value as the receivable includes an interest component as described in Note 7.

The fair value of the long-term receivable from the Province of Manitoba - pension approximates its carrying value as the receivable includes an interest component as described in Note 14.

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet are as follows:

Financial Asset/Liability	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	\$ 1,617,688	\$ 1,617,688	\$ 895,144	\$ 895,144
Client accounts receivable	196,059	196,059	246,344	246,344
Receivable from the Province of Manitoba	4,956,000	4,956,000	4,635,000	4,635,000
Receivable from the Government of Canada	171,896	171,896	124,541	124,541
Other receivables	323,444	323,444	188,308	188,308
Long-term receivables:				
• Charges on land	764,672	764,672	768,803	768,803
• Severance - Province of Manitoba	716,166	716,166	716,166	716,166
• Pension - Province of Manitoba	19,097,212	19,097,212	18,185,771	18,185,771
Accounts payable	4,424,250	4,424,250	4,377,871	4,377,871

Financial risk management - overview

The Corporation has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;
- Interest rate risk; and
- Foreign currency risk

The Corporation manages its exposure to risks associated with financial instruments that have the potential to affect its operating performance. The Corporation's Management Council has overall responsibility for the establishment and oversight of the Corporation's objectives, policies and procedures for measuring, monitoring and managing these risks.

Credit risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Corporation to credit risk consist principally of cash and accounts receivable.

The maximum exposure of the Corporation to credit risk at March 31, 2012 is:

LEGAL AID MANITOBA

Notes to Financial Statements
for the year ended March 31, 2012

Cash	\$ 1,617,688
Client accounts receivable	196,059
Receivable from the Province of Manitoba	4,956,000
Receivable from the Government of Canada	171,896
Other receivables	323,444
Long-term receivables:	
• Charges on land	764,672
• Severance - Province of Manitoba	716,166
• Pension - Province of Manitoba	19,097,212
	\$ 27,843,137

Cash: The Corporation is not exposed to significant credit risk as the cash is held by a large financial banking institution.

Client accounts receivable includes clients that contribute toward the cost of their case under the agreements to pay and expanded eligibility payment programs based on a contract. The Corporation manages its credit risk on these accounts receivables which are primarily small amounts held by a large client base. It is typically expected that clients will settle their account based on their payment program. The Corporation establishes an allowance for doubtful accounts that represents its estimate of potential credit losses.

Receivable from the Province of Manitoba: The Corporation is not exposed to significant credit risk as the receivable is from the provincial government.

Receivable from the Government of Canada: The Corporation is not exposed to significant credit risk as the receivable is from the federal government.

Other receivables include court costs, Child and Family Services agencies, Employment and Income Assistance, and miscellaneous. The Corporation is exposed to significant credit risk related to court costs and therefore, an allowance of 95% is set up to recognize the likelihood of collection. In the case of receivables from Child and Family Services agencies and Employment and Income Assistance, they are funded through the Province of Manitoba. Miscellaneous includes employee advances, GST and other recoverable costs. Employee advances are usually paid within one month, GST is received quarterly and other recoverable costs are usually paid within 90 days of receipt of an order to pay by the courts or other authority.

Long-term receivable - charges on land: The Corporation manages its credit risk on these accounts receivables which primarily consists of small amounts held by a large client base for which payment is secured by a lien on property. The Corporation establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is calculated on a specific identification basis and a general provision based on historical experience.

Long-term receivables - severance and pension - Province of Manitoba: The Corporation is not exposed to significant credit risk as the receivables are with the provincial government.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they come due.

LEGAL AID MANITOBA

**Notes to Financial Statements
for the year ended March 31, 2012**

The Corporation manages liquidity risk by maintaining adequate cash balances. The Corporation prepares and monitors detailed forecasts of cash flows from operations and anticipated investing and financing activities. Identified funding requirements are requested, reviewed and approved by the Minister of Finance to ensure adequate funding will be received to meet the obligations. The Corporation continuously monitors and reviews both actual and forecasted cash flows through periodic financial reporting.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Corporation's income or the fair values of its financial instruments. The significant market risks the Corporation is exposed to are: interest rate risk and foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and accounts payable.

The interest rate risk is considered to be low on cash because of its short-term nature and low on accounts payable because they are typically paid when due.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency.

auditor's report



INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba
To the Management Council of Legal Aid Manitoba

We have audited the Statement of Compensation Paid to Council Members and Employees and the Statement of Private Bar Fees and Disbursements in Excess of \$50,000 or More of Legal Aid Manitoba for the year ended March 31, 2012. The statements have been prepared by management in accordance with Sections 2 and 4 of *The Public Sector Compensation Disclosure Act*.

Management's Responsibility for the Statements

Management is responsible for the preparation of these statements in accordance with Sections 2 and 4 of *The Public Sector Compensation Disclosure Act* and for such internal control as management determines is necessary to enable the preparation of the 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 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 statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the 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 information in the statements of public sector compensation of Legal Aid Manitoba for the year ended March 31, 2012 is prepared, in all material respects, in accordance with Section 2 and 4 of *The Public Sector Compensation Disclosure Act*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the statements which describes the basis of accounting. The statements are prepared to assist the entity to meet the requirements of Sections 2 and 4 of *The Public Sector Compensation Disclosure Act*. As a result, the statements may not be suitable for another purpose.

Office of the Auditor General

Office of the Auditor General
August 21, 2012
Winnipeg, Manitoba

Legal Aid Manitoba
Statement of Private Bar Fees and Disbursements of \$50,000 or more
for the year ended March 31, 2012
(Prepared in accordance with Section 4 of the *Public Sector Compensation Disclosure Act*)

Name of Lawyer	Amount	Name of Lawyer	Amount
Robbins, Jon	\$ 409,869.86	Glazer, Martin	\$ 101,057.32
Vandongen, Lori	328,395.84	Schaan, Chad	97,199.98
Sawchuk, Darren	302,772.61	Davids, Michael	97,136.43
Smith, Pamela	284,654.66	Rees, Tom	93,821.82
Skinner, John	257,968.59	Bhangu, Mandeep	85,158.42
Phillips, Cory	241,931.33	Antila, Crystal	83,110.36
Phillips, David	236,066.64	Gould, Matthew	82,668.91
Ramsay, John	223,218.82	Mariash, Theodore	82,652.73
Coggan, Derek	214,573.77	Pullar, James	80,629.22
Zaman, Saheel	214,117.56	Murphy, Edmond	79,316.66
Harrison, Robert	203,084.17	Champagne, Gisele	77,894.10
Sinder, Barry	179,525.93	Wiebe, Geraldine	76,501.60
Corona, John	173,632.41	Walker, Tara	75,746.79
Cook, Michael	172,794.74	Campbell, Roberta	74,315.37
Mokriy, Don	168,068.86	Webb, Karen	74,167.04
Armstrong, Bill	148,020.66	Gama, Vanessa	73,305.30
Bretecher, Jacqueline	146,601.08	Gudelot, Gregory	72,080.73
Dawson, Roy	140,187.20	Purvis, Darcy	70,488.15
Ostapiw, Jody	129,120.49	Manning, Daniel	70,329.07
Bonney, Bruce	128,394.49	Kostiuk, Jeremy	69,350.96
Thatcher, Regan	128,378.62	Robinson, Laura	69,060.30
Malcolm, William	125,779.05	Ryzniczuk, Lynn	67,133.96
Bueti, Katherine	125,264.20	MacNair, Iain	65,678.43
Newman, Scott	122,658.93	Inness, Sarah	65,175.85
Cam, Monique	121,002.31	Rice, Edward	64,299.90
Cellitti, Antonio	117,034.74	Boucher, Nolan	63,723.84
Bright, Michelle	111,032.18	Buisse, Leandre	61,733.30
Amy, Ryan	107,580.11	Dunn, Catherine	54,662.75
Brodsky, Greg	107,045.20	Wasyliw, Mark	53,487.43
Soldier, Stacey	106,338.93	Wagner, Janelle	52,739.47
Poole, Richard	103,586.31	Seib, Aaron	52,480.12
Sigurdson, Chris	102,130.52	Bourcier, Todd	51,745.41
Simmonds, Saul	101,230.72	McKay, Cameron	50,297.15

Legal Aid Manitoba
Statement of Compensation Paid to Council Members and Employees
for the year ended March 31, 2012
(Prepared in accordance with Section 2 of the *Public Sector Compensation Disclosure Act*)

Aggregate Compensation to Council Members			
In aggregate		\$	45,331.40
Santos, Mario	Council Chair		77,340.12

Compensation of \$50,000 or more

Name	Position		Amount
Birks, C.G.	Supervising Attorney (Retired)	\$	160,938.36
Clifford, G.	Executive Director		145,410.20
Raposo, S.	Deputy Executive Director		138,580.70
McDonald, T.	Area Director/Supervising Attorney		138,419.06
Sherman, C.	Winnipeg Area Director		138,138.78
Sansregret, A.	Staff Attorney		137,352.03
Cadloff, K.A.	Staff Attorney		137,073.43
Giesbrecht, L.D.	Area Director/Supervising Attorney		136,874.86
Kingsley, P.	Acting Senior Area Director		136,586.77
Brecht, R.B.	Staff Attorney		135,995.78
Williams, J.B.	Director, PILC		134,715.53
Gammon, G.B.	Legal Director		134,559.09
Lovegrove, C.	Supervising Attorney		134,185.43
Joycey, D.	Supervising Attorney		134,123.43
Paluk, M.D.	Supervising Attorney		133,999.38
Woodman, R.	Supervising Attorney		133,904.93
Bates, G.D.	Supervising Attorney		133,539.93
Robinson, G.B.	Supervising Attorney		133,098.78
Hawrysh, G.B.	Supervising Attorney		132,953.78
Pauls, C.	Supervising Attorney		132,808.78
Walker, M.	Supervising Attorney		132,808.78
Van Schie, S.	Staff Attorney		131,787.53
Janis, R.	Staff Attorney		131,320.03
Loney, A.	Staff Attorney		131,195.43
Colquhoun, L.	Staff Attorney		131,041.43
Libman, A.	Staff Attorney		130,410.88
Dzydz, D.	Staff Attorney		129,963.78
MacAulay, G.G.	Staff Attorney		129,818.78
McAmmond, J.	Staff Attorney		129,818.78
Tailleur, L.J.	Staff Attorney		129,818.78
Stewart, C.	Staff Attorney		125,875.10
Sneesby, K.	Staff Attorney		124,710.95
Horst, A.	Supervising Attorney		120,757.05
Paler, S.	Staff Attorney		118,439.08
Schwartz, B.	Staff Attorney		114,342.02
Koturbash, T.	Area Director/Supervising Attorney		113,827.23
Hwozdulych, B.A.	Staff Attorney		113,030.68
Strang, K.	Staff Attorney		112,740.68
Kennedy, C.	Staff Attorney		110,835.98
Bowman, M.	Staff Attorney		110,265.55

Name	Position	Amount
Cottam, G.	Staff Attorney	\$ 104,520.66
Anderson, L.	Acting Supervising Attorney	102,630.45
Pellettieri, M.	Staff Attorney	101,321.94
Froese, B.	Staff Attorney	101,037.73
Stewart, W.	Staff Attorney	100,921.57
Nygaard, D.	Staff Attorney	99,420.98
Aniceto, L.	Staff Attorney	98,864.63
Puranen, S.	Staff Attorney	96,500.18
Dowle, K.	Staff Attorney	95,908.97
Tait, C.	Staff Attorney	95,590.08
Koshy, S.	Staff Attorney	94,478.61
Laham-Szutiak, M.	Staff Attorney	93,591.00
Henderson, D.	Staff Attorney	92,268.45
Fawcett, R.	Staff Attorney	91,580.72
Ferens, M.	Staff Attorney	89,176.63
Dwarka, R.N.	Director of Finance	84,810.50
Balneaves, S.	Information Technologist	83,363.00
Valcourt, G.	Information Technologist	82,371.65
Tonge, P.	Staff Attorney	80,415.46
McNaught, I.	Staff Attorney	72,329.84
Hanslip, M.	Staff Attorney	71,343.18
Laberge, C.	Staff Attorney	70,546.75
Wiebe, C.	Information Technologist	69,676.35
Tasche, H.	Staff Attorney	68,468.65
Swait, M.	Policy Analyst	68,211.61
Perchal, J.M.	Accountant	66,878.93
Craft, A.	Staff Attorney	63,883.14
Sieklicki, P.	Staff Attorney	63,310.88
Simpson, P.	Information Technologist	62,510.45
Landry, M.	Staff Attorney	61,064.79
Unger, J.	Intake Officer	59,577.36
Settee, S.	Intake Officer	58,728.97
Makar, L.C.	Intake Officer	58,673.76
Williams, M.	Intake Officer	58,493.04
Clifford-Johnson, T.	Administrative Law Advocate	58,109.70
Drewniak, B.	Intake Officer	56,776.20
Bracken, S.	Staff Attorney	54,586.48
McFadgen, P.	Staff Attorney	52,488.65
Lagimodiere, M.	Paralegal	51,342.55
Beens, D.	Acting Office Manager	51,188.52
Cauldwell, S.	Paralegal	51,139.20
Settee, L.	Paralegal	50,937.05
Bakker, N.	Paralegal	50,506.15
Beatty, M.	Paralegal	50,209.15
Langford, K.	Paralegal	50,209.15
McCrae, C.M.	Paralegal	50,209.15
Maloney, M.E.	Paralegal	50,027.90
Laquette, J.J.	Paralegal	50,027.90

LEGAL AID MANITOBA

Notes to Financial Information for the year ended March 31, 2012

1. Basis of Accounting

a) Private Bar Fees and Disbursements of \$50,000 or More

The financial information discloses every person who received \$50,000 or more during the fiscal year ended March 31, 2012 for providing legal aid. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

b) Aggregate Compensation to Council Members

The financial information discloses the amount of the payments, in aggregate, to the Council Members during the fiscal year ended March 31, 2012. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

c) Compensation of \$50,000 or More

The financial information lists employees and Council Chair who received compensation of \$50,000 or more during the fiscal year ended March 31, 2012. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

notes

Directory of Legal Aid Offices

Administration Office

4th Floor - 287 Broadway
Winnipeg MB R3C 0R9
Ph: 204.985.8500
Toll-free: 1.800.261.2960
Fax: 204.944.8582

Agassiz Community Law Centre

520 - 136 Market Avenue
Winnipeg MB R3B 0P4
Ph: 204.985.5230
Toll-free: 1.800.300.2307
Fax: 204.985.5237

Child Protection Law Office

300 - 287 Broadway
Winnipeg MB R3C 0R9
Ph: 204.985.8560
Toll-free: 1.855.777.3753
Fax: 204.985.5224

Criminal Duty Counsel Office

100 - 287 Broadway
Winnipeg MB R3C 0R9
Ph: 204.985.8500
Toll-free: 1.800.261.2960
Fax: 204.949.9216

Phoenix Community Law Centre

500 - 175 Carlton Street
Winnipeg MB R3C 3H9
Ph: 204.985.5222
Toll-free: 1.855.777.3759
Fax: 204.942.2101

Prairie Community Law Centre

809 - 294 Portage Avenue
Winnipeg MB R3C 0B9
Ph: 204.985.8550
Toll-free: 1.800.766.2148
Fax: 204.956.4146

Public Interest Law Centre

300 - 287 Broadway
Winnipeg MB R3C 0R9
Ph: 204.985.8540
Toll-free: 1.800.261.2960
Fax: 204.985.8544

Regency Community Law Centre

200 - 393 Portage Avenue
Winnipeg MB R3B 3H6
Ph: 204.985.9440
Toll-free: 1.855.777.3756
Fax: 204.947.2976

Riel Community Law Centre

410 - 330 Portage Avenue
Winnipeg MB R3C 0C4
Ph: 204.985.8555
Toll-free: 1.855.777.3758
Fax: 204.774-7504

Riverwood Community Law Centre

200 - 175 Hargrave Street
Winnipeg MB R3C 3R8
Ph: 204.985.9810
Toll-free: 1.855.777.3757
Fax: 204.985.8554

University Law Manitoba Law Centre

Faculty of Law
101 Robson Hall
University of Manitoba
Winnipeg MB R3T 2N2
Ph: 204.985.5206
Fax: 204.985.8551

Willow Community Law Centre

102 - 433 Main Street
Winnipeg MB R3C 1B3
Ph: 204.985.9732
Toll-free: 1.855.777.3760
Fax: 204.942.7362

Winnipeg Application Centre

100 - 287 Broadway
Winnipeg MB R3C 0R9
Ph: 204.985.8500
Toll-free: 1.800.261.2960
Fax: 204.949.9216

Amisk Community Law Centre

202 Main Street South
Dauphin MB R7N 1K6
Ph: 204.622.4660
Toll-free: 1.877.622.4660
Fax: 204.622.4679

Kelsey Community Law Centre

Box 1770, 130 - 3rd Street W.
The Pas MB R9A 1L5
Ph: 204.627.4833
Toll-free: 1.800.839.7946
Fax: 204.627.4840

Northlands Community Law Centre

Box 2429, 236 Edwards Avenue
The Pas MB R9A 1M2
Ph: 204.627.4820
Toll-free: 1.800.268.9790
Fax: 204.627.4838

Parklands Community Law Centre

31 - 3rd Avenue N.E.
Dauphin MB R7N 0Y5
Ph: 204.622.7000
Toll-free: 1.800.810.6977
Fax: 204.622.7029

Thompson Community Law Centre

3 Station Road
Thompson MB R8N 0N3
Ph: 204.677.1211
Toll-free: 1.800.665.0656
Fax: 204.677.1220

Westman Community Law Centre

236 - 11th Street
Brandon MB R7A 4J6
Ph: 204.729.3484
Toll-free: 1.800.876.7326
Fax: 204.726.1732

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