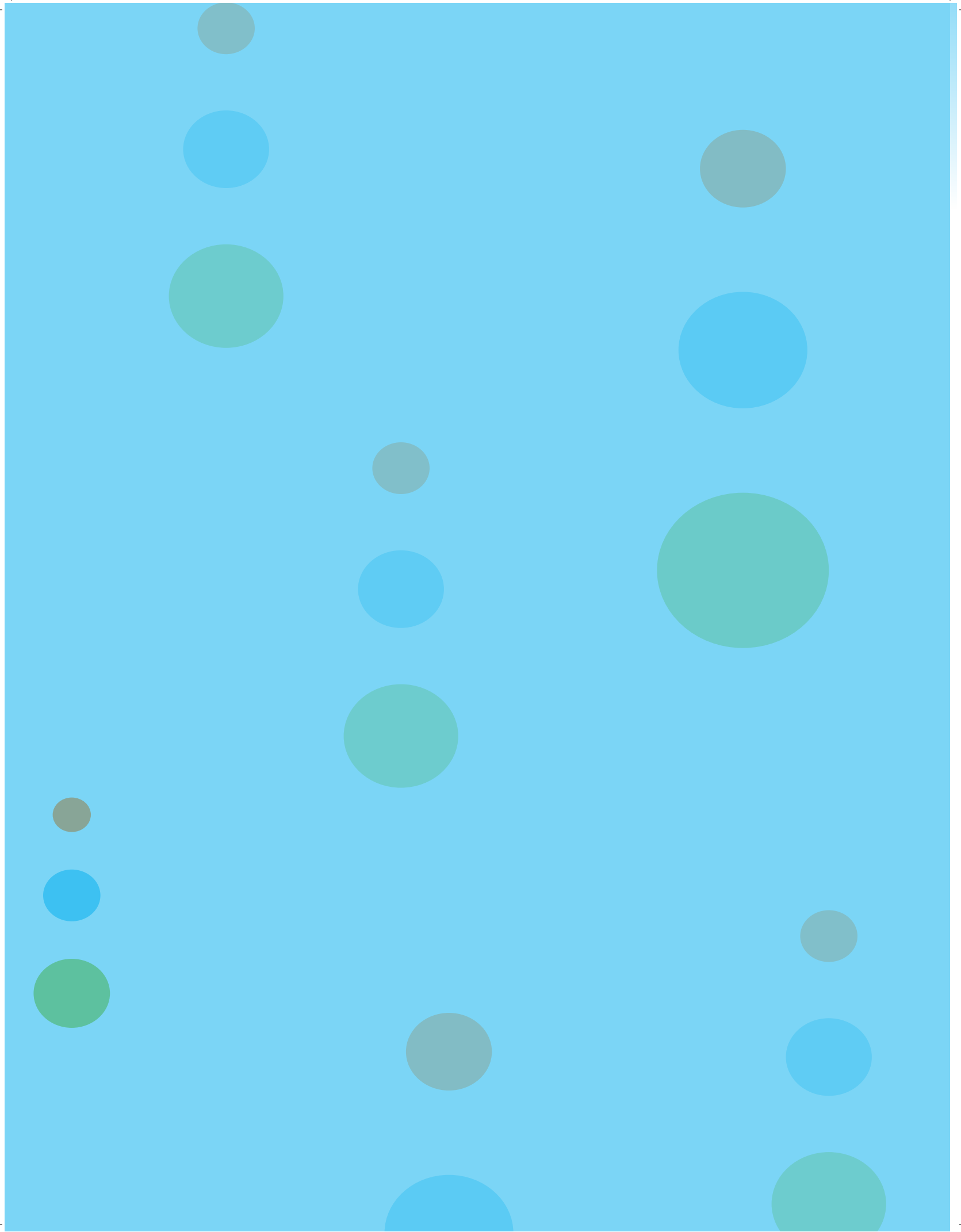


Legal Aid Manitoba

41ST ANNUAL REPORT
2012/2013







Legal Aid Manitoba
L'Aide Juridique du Manitoba

**FORTY-FIRST ANNUAL REPORT
LEGAL AID MANITOBA
Fiscal Year Ending March 31, 2013**

**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 Forty-First Annual Report for the year ending March 31, 2013.

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,

TIMOTHY VALGARDSON
Chair
Legal Aid Manitoba Management Council



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Message from the Chair and Executive Director

We take the opportunity this year to remind our stakeholders, and ourselves, that our goal is to provide quality legal advice and representation to eligible low-income individuals and groups. We are mindful of the daily influx of people in desperate need of our assistance. This annual report covers changes we have made to improve our financial management and increase efficiencies through refining our processes and implementing new initiatives.

Our focus is to provide increased access to justice for Manitobans. To that end we have worked with Justice Innovation, the courts, the private bar, our staff and other stakeholders on several access to justice initiatives including:

- a) Providing assistance to the courts in Winnipeg, Pine Falls and some Northern courts to decrease the amount of time it takes to process and appoint, if appropriate, legal counsel for accused that may be eligible for legal aid. This has resulted in dramatic decreases in the amount of remands and the length of dockets in these selected courts.
- b) Implementing changes to the certificate issuance process to remove unnecessary barriers to applicants.
- c) Streamlining the financial review process to remove unnecessary barriers to clients and allow legal counsel to work more effectively.
- d) Providing duty counsel for a new Manitoba Justice mental health court initiative.
- e) Returning to full service duty counsel (FSDC) in rural courts. FSDC provides fast, efficient service to a wider range of clients while assisting the court system with decreasing the amount of time an accused spends within the justice system before a case concludes.
- f) Supporting private bar with establishing law offices in rural/remote areas such as Norway House where private bar can provide economical services for legally aided clients. Support in this case refers to allowing private bar to keep clients that they generate through the provision of duty counsel services.

g) Completing the transition to smaller, conflict-free community offices that provide full service to clients. Efficiencies have been achieved by reducing administrative tasks related to intake and, in Winnipeg, to duty counsel. The creation of the Criminal Duty Counsel Office in Winnipeg has allowed the criminal community law centres to focus on certificate work while reducing conflicts that used to arise as a function of duty counsel.

h) Issuing a new certificate type that allows counsel to act as a "friend of the court". This initiative has been particularly helpful to proceedings where the accused may be unrepresented or where the case may have unique complexities.

i) Augmenting the Poverty Law Unit to include another paralegal and extending the number of clients that this office can service.

This past year, we saw:

- a) The appointment of a new Chair of Management Council;
- b) The first steps in moving to a paperless environment;
- c) The commencement of an operational review of all of our administrative and community legal offices; and
- d) The conclusion of collective bargaining with our staff lawyers association.

On the funding front, we continue to feel the effects of the 2008 economic downturn and the impact of the 2011 flood which has significantly strained Manitoba Government resources. Funding from the Manitoba Law Foundation continues to be below normal levels as a result of low interest rates. Federal funding contribution for criminal legal aid has diminished from 50% in 1974 to 17% this fiscal year.

Despite significant funding challenges, Legal Aid Manitoba remains one of the most robust plans in Canada with a commitment from Government to maintain existing services. We thank our staff and private bar partners for their dedication and commitment in these challenging times.

Management Council



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

Tim Valgardson, Chair
(effective December 2012)

Mario Santos, B.A., LL.B., Chair
Barrister & Solicitor
(October 2012)

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

Ernie Blais

Rose Buss

Luis Martinez

James McLandress
Barrister & Solicitor
Blairgowrie Consulting, Ltd.

Kim Milne

Herbert Peters
Barrister & Solicitor
Managing 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
Christian Monnin
Anna Pazdzierski
Amanda Sansregret
Mary Troszko
Janelle Wagner
Gerri Wiebe

Appeals - Client

James McLandress, Chair
Rose Buss
Luis Martinez

Appeals - Taxation

Diane Stevenson, Chair
Kim Milne
Wendy Whitecloud

Finance/Audit/Human Resources

Luis Martinez, Chair
Kim Milne
Ernie Blais
Tim Valgardson (ex-officio)

Governance

Herbert Peters, Chair
James McLandress
Luis Martinez
Tim Valgardson (ex-officio)

Policy Services

Wendy Whitecloud, Chair
Rose Buss
Kim Milne
Tim Valgardson (ex-officio)

Executive Management Committee

Gil Clifford
Executive Director

Sam Raposo
Deputy Executive Director

Bruce Gammon
Legal Director

Robin Dwarka
Director of Finance

Peter Kingsley
Senior Area Director

Regional Directors

Cathy Sherman
Winnipeg

Lorne Giesbrecht
Westman

Therese Koturbash
Parklands

Theresa McDonald
Northlands

Legal Aid Manitoba exists to provide access to justice for vulnerable persons. Whether that is a child-rearing spouse living on welfare while their wealthy former partner stalls and refuses to provide child support; a mentally challenged person being evicted from assisted-living accommodation because of an antagonistic neighbour's noise complaints; or an innocent person charged with a notorious criminal offence facing the power of the coordinated resources of police, forensic scientists and experts, wiretap, search warrants, and ultimately powers of physical restraint and imprisonment pending trial. When courts consider and decide the meaning of laws that apply to us all legal aid ensures they hear, and take into account, the interests and circumstances of low-income persons.

Purpose

The right to a fair and public hearing, before an impartial decision maker, based only on reliable evidence legally obtained, is a hallmark of the rule of law in a free and democratic society. Access to justice for low-income, and otherwise vulnerable, persons affords all people in Manitoba the comfort of knowing we have done our best to ensure justice is done, and is seen to be done.

Sophonow, Milgaard, Morin, Marshall, Driskell, Unger, names representative of all who have spent weeks, months, and sometimes years, wrongfully imprisoned, remind us that wrongful convictions occur even when experienced lawyers try diligently to ensure fairness, and to effectively challenge and test Crown evidence.

The need for a lawyer to ensure a fair trial, and test evidence, is equally important when one person brings a wealth of resources to bear on a low-income person in family or civil courts. Persons with little or no financial resources, and those with limited ability to present a legal case, are peculiarly vulnerable to injustice in our adversarial system.

History

From its earliest days, ensuring access to justice for persons unable to afford a lawyer is a proud tradition in the legal profession. Lawyers in Manitoba have a long history of providing access to justice for low-income people on a pro bono (free), or on a reduced fee, basis.

As early as 1938, members of the Law Society of Manitoba organized an "Indigent Suitors Committee" to provide legal services to people who

could not afford a lawyer (mostly in family matters). The "Legal Aid Committee on Criminal Matters" followed just over a decade later.

Need for services grew rapidly in the 1960's and by January 29, 1969, increasing demand led to a roster of private bar lawyers (paid \$50.00 a day) to act as "Legal Aid Duty Counsel" at criminal intake court. On July 27, 1971 the Government of Manitoba passed legislation to set up a formal legal aid plan. Funding through an equal cost-sharing agreement between the Federal and Provincial governments, supplemented by a grant from interest generated on lawyers' trust accounts, was in place by March 31, 1974.

The head office of the Legal Aid Services Society of Manitoba opened August 24, 1972 and the first staff office formally opened at 95 Isabel Street on Thursday, November 16, 1972. The first Chair of the Board Ronald Meyers, QC, and board member Roland Penner, QC, co-chaired the opening. Norm Larsen, was the first Acting Senior Attorney, Will Hechter and Charles Birks, Staff Attorneys, and articling students Lea Duval and Norman Sundstrom provided necessary support.

The Canadian Charter of Rights and Freedoms in 1982, spurred the creation of a law centre dedicated to public interest cases. The contribution of the Public Interest Law Centre to all people in Manitoba is substantial.

Today Legal Aid Manitoba is a corporation created by the *Legal Aid Manitoba Act*, independent of government, for the purpose of providing quality legal service and representation to low-income people in Manitoba. In 2005, Legal Aid Manitoba, with the coming into force of new legislation, formally took up the name "Legal Aid Manitoba", and its Board of Directors was replaced by a Management Council with a Chair and Vice-Chair appointed by the Lieutenant Governor in Council.

Legal Aid Manitoba operates on a mixed service model in which both private bar lawyers, and staff lawyers, provide service to our clients. Legal Aid Manitoba is considered to be one of the best programs in Canada. With very modest funding by comparison to other plans, a wide range of essential services is provided to as many eligible people as possible. Dedicated work by Legal Aid Manitoba's civil service staff, and reduced fees accepted by private bar lawyers in some very difficult times, have underwritten Legal

Aid Manitoba's ability to continue providing quality legal services.

The Road Ahead

Legal Aid Manitoba authorizes and oversees provision of counsel for 25,000 certificate cases and assistance on 50,000 other requests per year, including duty counsel and bail services at intake courts throughout the province. Our resources are easily overwhelmed by increasingly complex court cases and growing costs. Lawyers doing legal aid work always accept reduced fees but experts and private legal support services usually do not. Legal Aid Manitoba makes difficult decisions every day about how to provide the services necessary to ensure complex cases are properly funded, and fairly tried, in a context where further services to one case will result in no services for one, or sometimes several, other cases.

In its 40th year, Legal Aid Manitoba is actively participating in efforts to find and implement creative initiatives to bring greater efficiency to the justice system, without damaging its effectiveness. Legal Aid Manitoba is at the forefront of many such initiatives. Legal Aid Manitoba has had significant involvement in innovations that will:

- Provide the courts with better information on the status of applications;
- Implement video conferencing that connects lawyers, clients, and courts in remote locations;
- Allow staff to perform more efficiently, ensuring resources are not needlessly wasted;
- Provide faster legal advice and on-demand translation services to arrested persons;
- Identify and coordinate efforts to overcome needless inefficiency in court processes; and,
- Develop capacity to deal with electronic documents and police disclosure.

The challenges of attempting to reform an integrated, and adversarial, justice system are not small. Legal Aid Manitoba is proud to be one of many partners working for real improvement. In this context, it is important to note with appreciation the funding

provided by Justice Canada (reduced from 50% in 1974 to approximately 15% of total cost today), the Manitoba Law Foundation (approximately 3% of total cost), client contributions (6% of total cost) and the bulk of our funding (approximately 76% of total cost) provided by the Government of Manitoba. This funding allows Legal Aid Manitoba to continue the vital work of providing access to justice in an accountable and effective manner.

40 Years Strong

Legal Aid Manitoba is 40 years strong, working alongside vulnerable people in Manitoba to ensure fairness and justice, so all people in Manitoba can have confidence that justice is done, and is seen to be done.

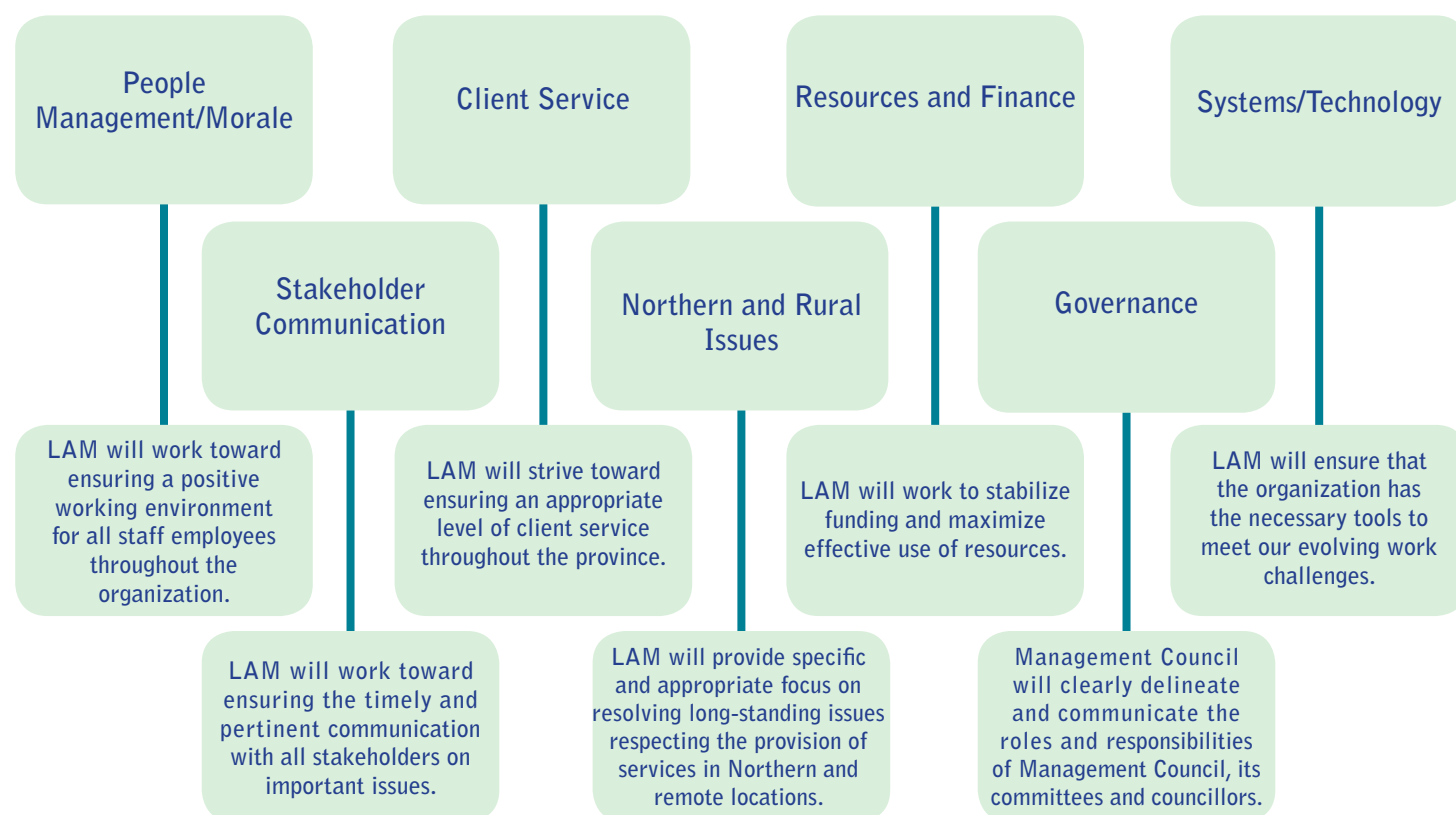


Tim Valgardson, Chair of Management Council
celebrating LAM's 40th Anniversary

40 Years of Service

Strategic Plan

In the fall of 2012, Management Council and the Executive Management Committee embarked on the process of updating Legal Aid Manitoba's (LAM's) strategic plan. Through the strategic planning process, seven areas of strategic focus were identified to improve service delivery over the next five years (2013/14 to 2017/18):



Next Steps

Within the strategic plan, each area of strategic focus includes specific goals, actions and timelines. LAM will complete a companion annual business plan for 2013/14 to ensure the execution of the strategic plan.

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, 2012 and March 31, 2013. 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 2012/13
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

Whistleblower Protection Act

Community Law Centre (CLC) Statistics

	Supervising Attorney	Staff Lawyer	Paralegal	Articling Student	Support Staff	Total
Winnipeg Offices:						
Agassiz CLC	1	2	0	1	3	7
Child Protection Law Office	1	1	1	1	2	6
Criminal Duty Counsel Office	1	6	0	0	1	8
Phoenix CLC	1	4	0	1	3	9
Prairie CLC	1	2	0	1	3	7
Public Interest Law Centre	1	2	2	2	2	9
Regency CLC	1	3	0	1	3	8
Riel CLC	1	4	0	1	3	9
Riverwood CLC	1	4	0	1	3	9
University Law Centre	0	0	0	0	1	1
Willow CLC	1	3	0	1	3	8
Outlying Offices:						
Amisk CLC, Dauphin	1	2	1	0	2	6
Kelsey CLC, The Pas	1	1	0	0	2	4
Northlands CLC, The Pas	1	0	0	2	2	5
Parklands CLC, Dauphin	1	2	2	0	2	7
Thompson CLC, Thompson	1	1	1	0	2	5
Westman CLC, Brandon	1	2	1	0	2	6
All Community Law Centres	16	39	8	12	39	114

Statistics

Service Delivery Volumes	2012/2013	2011/2012
Application Services		
Applications Received ¹	33,286	31,597
Applications Refused	7,573	7,934
Legal Matters Issued (Opened Cases)		
Criminal Adult	18,495	16,885
Criminal Youth	4,160	3,682
Family	5,779	5,729
Other Civil	209	191
<i>Total Legal Matters Issued (a) ²</i>	<i>28,643</i>	<i>26,487</i>
<i>LM issued to Private Bar</i>	<i>18,091</i>	<i>16,064</i>
<i>LM issued to Staff</i>	<i>10,552</i>	<i>10,423</i>
Other Services		
Duty Counsel Assists (b)	42,854	36,178
Drop-In and Phone Assists (c) ³	17,252	8,260
TOTAL ASSISTS (a + b + c) ⁴	88,749	70,925
Legal Matters Closed		
Criminal Adult	17,401	15,360
Criminal Youth	3,886	3,698
Family	5,418	5,367
Other Civil	220	204
<i>Total Legal Matters Closed</i>	<i>26,925</i>	<i>24,629</i>
<i>LM closed by Private Bar</i>	<i>16,378</i>	<i>14,569</i>
<i>LM closed by Staff</i>	<i>10,547</i>	<i>10,060</i>

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 2012/13, the ratio of private bar to staff services was 63:37(61:39).

3 Includes assists provided through LAM's application centres, CLCs, University Law Centre, Age & Opportunity, custody calls and general assistance calls.

4 A total of 88,749 (70,925) people were assisted either on a formal or informal basis during 2012/13. This represents an increase of 25.1% over the previous fiscal year.

For 2012/13, LAM observed increases in applications received, duty counsel assists as well as for legal matters issued. LAM began including Age & Opportunity assists, custody calls and general assistance calls in the annual report's statistics.

Sources of Funding

During 2012/2013, 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. Contributions from clients, 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, 2017.

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 experiencing a growing volume of criminal work that is pushing up service costs and is directly responsible for this year's deficit. LAM is working with Manitoba Justice to address the increase in volume. The trend has not diminished as of the printing of this report.

	2013 (\$000's)	2012 (\$000's)
Operating Fund Revenue:		
Appropriation	\$ 29,914	\$ 28,340
Manitoba Law Foundation	1,194	886
Other ¹	1,353	1,750
TOTAL REVENUE	32,461	30,976
Operating Fund Expenses:		
Private Bar ²	12,920	10,043
Direct legal services ³	18,549	18,261
Administration ⁴	1,842	1,578
TOTAL EXPENSES	33,311	29,882
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSE	\$ (850)	\$ 1,094

¹ Other includes client and third party recoveries net of bad debt expense and collection fees.

² Private bar fees and disbursements include an accrual for cases outstanding at year end.

³ Direct legal services expenditures include salaries and benefits, travel, provision of legal services, taxation, collection and other legal expenses.

⁴ 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, 2013.

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 27, 2013



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, 2013, March 31, 2012 and April 1, 2011 and 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 these financial statements in accordance with Canadian public sector accounting standards 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, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2 of the financial statements which describes the basis of accounting. For the year ending March 31, 2013, Legal Aid Manitoba adopted Canadian public sector accounting standards for government not for profit organizations. This resulted in significant changes to the presentation of the financial statements as compared to the prior year. These standards were applied retrospectively by management to the comparative information in these financial statements.

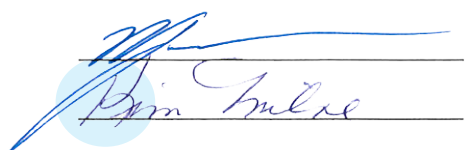


Office of the Auditor General
August 27, 2013
Winnipeg, Manitoba

LEGAL AID MANITOBA
Statement of Financial Position

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
Current Assets			
Cash	\$ 1,589,910	\$ 1,617,688	\$ 895,144
Client accounts receivable (Note 3)	168,586	196,059	246,344
Receivable from the Province of Manitoba	5,341,692	4,956,000	4,635,000
Receivable from the Government of Canada	167,450	171,896	124,541
Other receivables (Note 4)	472,454	323,444	188,308
Prepaid expenses	227,859	298,668	301,215
	7,967,951	7,563,755	6,390,552
Capital Assets (Note 5)	441,882	414,286	203,657
Long-term receivable - charges on land (Note 6)	782,837	764,672	768,803
Long-term receivable - severance - Province of Manitoba (Note 7)	716,166	716,166	716,166
Long-term receivable - pension - Province of Manitoba (Note 14)	20,587,677	19,370,088	18,185,771
	\$ 30,496,513	\$ 28,828,967	\$ 26,264,949
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 5,412,708	\$ 4,424,250	\$ 4,377,871
Accrued vacation pay	1,290,514	1,192,740	1,078,918
Deferred revenue from clients	454,540	395,875	376,607
Deferred contribution from Province of Manitoba	-	-	30,000
	7,157,762	6,012,865	5,863,396
Severance liability (Note 8)	2,174,427	2,019,032	1,883,129
Provision for employee pension benefits (Note 14)	20,587,677	19,370,088	18,185,771
	22,762,104	21,389,120	20,068,900
Net Assets			
Invested in Capital Assets	441,882	414,286	203,657
Restricted Net Assets (Note 15)	78,559	78,559	78,559
Unrestricted Net Assets	56,206	934,137	50,437
	576,647	1,426,982	332,653
	\$ 30,496,513	\$ 28,828,967	\$ 26,264,949

Approved by Council



Chairperson

Council Member

LEGAL AID MANITOBA
Statement of Operations
for the year ended March 31

	2013	2012
Revenue		
Province of Manitoba (Note 9)	\$ 29,914,138	\$ 28,239,981
Manitoba Law Foundation (Note 10)	1,194,398	885,954
Contributions from clients	890,943	867,109
Recoveries from third parties	527,652	879,307
Government of Canada	(3,228)	160,052
Judgment costs and settlements	158,893	100,461
Interest income	197	1,852
Other	39,747	41,147
	32,722,740	31,175,863
Expense		
Private bar fees and disbursements (Note 13)		
Legal Aid Certificates	12,263,131	9,362,723
Duty Counsel services	603,458	623,859
Transcripts	53,823	56,542
	12,920,412	10,043,124
Community Law Centres, Schedule 1	12,675,640	12,599,295
Public Interest Law Centre, Schedule 1	1,289,510	1,202,723
University Law Centre, Schedule 1	124,330	119,371
General and Administrative, Schedule 1	6,563,183	6,117,021
	33,573,075	30,081,534
Excess (deficiency) of revenue over expense	\$ (850,335)	\$ 1,094,329

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

	2013			
	Invested in Capital Assets	Restricted Net Assets (Note 15)	Unrestricted Net Assets	Total
Balance, Beginning of Year	\$ 414,286	\$ 78,559	\$ 934,137	\$ 1,426,982
Excess (deficiency) of revenue over expense	(99,633)	-	(750,702)	(850,335)
Capital Asset Additions	127,229	-	(127,229)	-
BALANCE, END OF YEAR	\$ 441,882	\$ 78,559	\$ 56,206	\$ 576,647

	2012			
	Invested in Capital Assets	Restricted Net Assets (Note 15)	Unrestricted Net Assets	Total
Balance, Beginning of Year	\$ 203,657	\$ 78,559	\$ 50,437	\$ 332,653
Excess (deficiency) of revenue over expense	(92,081)	-	1,186,410	1,094,329
Capital Asset Additions	302,710	-	(302,710)	-
BALANCE, END OF YEAR	\$ 414,286	\$ 78,559	\$ 934,137	\$ 1,426,982

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

	2013	2012
Cash Flow Provided by (Used In) Operating Activities:		
Excess (deficiency) of revenue over expense	\$ (850,335)	\$ 1,094,329
Add items not affecting cash		
Amortization	99,633	92,081
Changes in working capital:		
Client accounts receivable	27,473	50,285
Province of Manitoba receivable	(385,692)	(321,000)
Government of Canada receivable	4,446	(47,355)
Other receivables	(149,010)	(135,137)
Prepaid expenses	70,809	2,547
Accounts payable and accrued vacation pay	1,086,232	160,202
Deferred revenue	58,665	19,268
Deferred contribution from Province of Manitoba	-	(30,000)
Charges on land	(18,165)	4,130
Long-term funding commitments - pension	(1,217,589)	(1,184,317)
Severance liability	155,395	135,903
Provision for employee pension benefits	1,217,589	1,184,317
	99,451	1,025,253
Cash Flow Provided by (Used In) Capital Activities:		
Purchase of capital assets	(127,229)	(302,709)
	(127,229)	(302,709)
Net Increase (Decrease) in Cash for the Year	(27,778)	722,544
Cash - Beginning of Year	1,617,688	895,144
Cash - End of Year	\$ 1,589,910	\$ 1,617,688

Supplemental Cash Flow Information	2013	2012
Interest Received	\$ 197	\$ 1,852

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

SCHEDULE 1

	Community Law Centres		Public Interest Law Centre		University Law Centre		General and Administrative		Total
	2013	2012	2013	2012	2013	2012	2013	2012	
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,911	\$ 25,726	\$ 23,911 \$ 25,726
Amortization	48,440	44,168	2,299	2,368	1,886	1,886	47,008	43,659	99,633 92,081
Bad debts	-	-	-	-	-	-	248,660	192,762	248,660 192,762
Bank charges	-	-	-	-	-	-	2,146	2,180	2,146 2,180
Collection costs	-	-	-	-	-	-	13,142	6,502	13,142 6,502
Computer costs	12,514	79,007	137	2,153	34	-	44,610	19,260	57,295 100,421
Council expenses	-	-	-	-	-	-	208,029	168,516	208,029 168,516
Duty counsel	202,914	240,335	4,032	2,055	-	-	1,841	1,524	208,787 243,913
Equipment maintenance	96,151	107,174	9,366	8,407	2,738	789	57,615	44,331	165,870 160,700
File disbursements	310,647	352,572	270,930	340,233	2,221	1,916	33,292	35,780	617,090 730,500
Library	62,066	72,946	9,007	6,896	158	197	2,284	1,581	73,515 81,621
Meetings	6,815	5,686	2,472	1,143	1,628	1,324	14,669	12,721	25,584 20,874
Office expenses	221,845	197,929	11,898	17,959	6,834	6,354	138,731	127,951	379,308 350,193
Office relocation	31,597	80,784	525	7,997	-	-	2,497	42,457	34,619 131,237
Pension costs (Note 14)	-	-	-	-	-	-	2,054,004	1,919,585	2,054,004 1,919,585
Premise costs	1,020,956	770,402	58,904	30,085	134	93	305,294	204,894	1,385,288 1,005,474
Professional fees	195,622	174,637	17,967	10,865	747	650	135,079	129,319	349,415 315,471
Salaries, benefits and levy	10,133,949	10,153,791	867,977	739,783	92,091	94,963	2,890,940	2,793,625	13,984,957 13,782,162
Severance benefits	-	-	-	-	-	-	235,958	230,614	235,958 230,614
Staff development	44,397	62,585	10,140	11,852	-	22	7,988	1,808	62,525 76,268
Staff recruitment	8,839	15,367	96	193	99	65	2,627	2,845	11,661 18,469
Telephone	108,871	112,268	8,294	10,216	2,723	2,508	70,283	88,753	190,171 213,745
Transcripts	22,153	27,096	-	-	1,442	282	-	-	23,595 27,378
Travel	147,864	102,549	15,466	10,521	11,595	8,322	22,575	20,628	197,500 142,020
TOTAL	\$ 12,675,640	\$ 12,599,295	\$ 1,289,510	\$ 1,202,723	\$ 124,330	\$ 119,371	\$ 6,563,183	\$ 6,117,021	\$ 20,652,663 \$ 20,038,410

Notes to Financial Statements
for the year ended March 31, 2013

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) Basis of Presentation and Transition to GNFPPO

Effective April 1, 2011, the Corporation elected to adopt Canadian standards for government not-for-profit organizations ("GNFPPO") including Public Sector Accounting Handbook 4200 series as issued by the Canadian Public Sector Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retroactively as if these policies had always been in effect. The following adjustments and elections were made by the Corporation on transition to GNFPPO:

Reconciliation of net assets		
Net assets as at March 31, 2011, as previously reported	\$	332,653
Impact of transitional exemptions		-
Opening net assets as at April 1, 2011 under GNFPPO	\$	332,653
Reconciliation of surplus (deficit)		
Surplus (deficit) for the year ended March 31, 2012 as previously reported	\$	1,515,108
Adjustment to recoverable from Province of Manitoba		(272,867)
Employee pension obligation adjustment		272,867
Severance liability adjustment		(88,126)
Surplus (deficit) for the year ended March 31, 2012 under GNFPPO	\$	1,426,982

Under GNFPPO, actuarial gains and losses are amortized to the liability or asset and the related expense in a systematic and rational manner over the expected average remaining service life of the related employee group. Previously, the Corporation had been recognizing the actuarial gain or loss in the year it occurred. The Corporation has elected to adopt PS2125.10 and recognize all cumulative actuarial gains and losses at the date of transition directly in accumulated surplus. As a result, there were no changes to opening net assets.

As a result of the adjustment to the employee pension obligation, the recoverable from the Province of Manitoba was increased by the same amount.

b) Financial Instruments

Financial assets and liabilities are initially recorded at fair value and subsequently recorded at cost or amortized cost.

Amortized cost is determined using the effective interest rate method.

Gains and losses on financial instruments subsequently measured at cost or amortized cost are recognized in the statement of revenue and expense in the period the gain or loss occurs.

Notes to Financial Statements
for the year ended March 31, 2013

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 – Partial

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) Agreements to Pay – Full

Under terms of Agreements to Pay – Full, clients are required to pay all of the legal costs and an administration fee of 25% of the Corporation's cost of the case. The maximum administration fee is \$250. The revenue and receivable are recognized based on the date of the lawyer's billing which coincide with when the service is provided.

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 of the lawyer's billing which coincide with when the service is provided. 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.

Notes to Financial Statements for the year ended March 31, 2013

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 is amortized over the expected remaining service life of the employee group (EARS) which is currently 15 years. Amortization commences the year following the year when the actuarial gain or loss arises.

3. Client Accounts Receivable

	2013	2012
Agreements to Pay – Partial	\$ 66,240	\$ 58,859
Agreements to Pay – Full	464,805	496,022
	531,045	554,881
Less: Allowance for Doubtful Accounts	362,459	358,822
Client accounts receivable	\$ 168,586	\$ 196,059

4. Other Receivables

	2013	2012
Court costs	\$ 287,616	\$ 193,210
Child and Family Services agencies	44,487	33,559
Employment and Income Assistance	181,803	150,236
Employee advances, GST recoverable, and miscellaneous	239,012	134,918
	752,918	511,923
Less: Allowance for Doubtful Accounts	280,464	188,479
Other receivables	\$ 472,454	\$ 323,444

5. Capital Assets

	2013		2012	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and office equipment	\$ 308,836	\$ 191,031	\$ 297,794	\$ 164,520
Computer hardware & software	300,352	214,510	278,035	163,661
Leasehold improvements	267,680	29,445	173,810	7,172
	\$ 876,868	\$ 434,986	\$ 749,639	\$ 335,353
Net book value		\$ 441,882		\$ 414,286

6. Charges on Land

	2013	2012
Charges on land	\$ 1,539,085	\$ 1,507,663
Less: Allowance for Doubtful Accounts	756,248	742,991
Charges on land	\$ 782,837	\$ 764,672

Notes to Financial Statements for the year ended March 31, 2013

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 on a straight-line basis over the expected average remaining service life (EARSLS) of the related employee group. Amortization commences the year following the year when the actuarial gain or loss arises.

An actuarial report was completed for the severance pay liability as at March 31, 2013 by Ellement & Ellement Consulting Actuaries. The Corporation's actuarially determined net liability for accounting purposes as at March 31, 2013 was \$2,174,427 (2012 – \$2,019,032). 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.

	2013	2012
Balance at beginning of year	\$ 1,930,906	\$ 1,883,129
Benefits accrued	116,753	105,763
Interest accrued on benefits	128,018	124,851
Benefits paid	(80,563)	(94,711)
Actuarial (gain) loss	163,723	(88,126)
Balance at end of year	2,258,837	1,930,906
Unamortized actuarial gains (losses)	(84,410)	88,126
	\$ 2,174,427	\$ 2,019,032

The Corporation's severance costs consist of the following:

	2013	2012
Benefits accrued	\$ 116,753	\$ 105,763
Interest accrued on benefits	128,018	124,851
Amortization of actuarial gains	(8,813)	-
	\$ 235,958	\$ 230,614

LEGAL AID MANITOBA

Notes to Financial Statements for the year ended March 31, 2013

Significant long-term actuarial assumptions used in the March 31, 2013 valuation, and in the determination of the March 31, 2013 present value of the accrued severance benefit obligation were:

	2013	2012
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%
Service, merit, & promotion (SMP) – average	1.00%	nil
	3.75%	2.75%

9. Revenue from the Province of Manitoba

	2013	2012
Grant	\$ 15,410,589	\$ 14,453,556
Salaries and other payments	12,353,802	11,792,320
Health and post secondary education tax levy	262,958	250,281
Employer portion of employee benefits	1,774,289	1,601,324
Other government agencies	112,500	142,500
	\$ 29,914,138	\$ 28,239,981

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

	2013	2012
Statutory grant	\$ 928,398	\$ 619,954
Public Interest Law Centre	180,000	180,000
University Law Centre	86,000	86,000
	\$ 1,194,398	\$ 885,954

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 \$928,398 was received because earnings were below the statutory minimum.

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, 2013, all funds received through these grants have been spent in the current year.

Notes to Financial Statements for the year ended March 31, 2013

11. Commitments

a) Lease

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

2014	\$	989,619
2015		878,446
2016		1,110,408
2017		1,053,292
2018		1,061,202
Thereafter		7,467,763
	\$	12,560,730

b) Private Bar

Estimated total commitments for future billings on outstanding Legal Aid Certificates amount to \$1,866,000 as at March 31, 2013 (2012 – \$1,708,000).

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

2013				
	Fees	Disbursements	Total	
Legal Aid Certificates	\$ 11,608,602	\$ 654,529	\$ 12,263,131	
Duty counsel services	603,458	0	603,458	
Transcripts	0	53,823	53,823	
	\$ 12,212,060	\$ 708,352	\$ 12,920,412	

2012				
	Fees	Disbursements	Total	
Legal Aid Certificates	\$ 8,814,574	\$ 548,149	\$ 9,362,723	
Duty counsel services	623,859	0	623,859	
Transcripts	0	56,542	56,542	
	\$ 9,438,433	\$ 604,691	\$ 10,043,124	

14. 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 annually with the balances for the intervening periods being determined by a formula provided by the actuary. The most recent valuation was completed as at December 31, 2012 by Ellement & Ellement Consulting Actuaries. The actuary has projected the pension obligation to March 31, 2013.

LEGAL AID MANITOBA

Notes to Financial Statements for the year ended March 31, 2013

	2013	2012
Balance at beginning of year	\$ 19,097,212	\$ 18,185,771
Benefits accrued	831,051	737,439
Interest accrued on benefits	1,241,145	1,182,146
Benefits paid	(836,414)	(735,268)
Actuarial (gain) loss	1,684,192	(272,876)
Balance at end of year	22,017,185	19,097,212
Unamortized actuarial gains (losses)	(1,429,508)	272,876
	\$ 20,587,677	\$ 19,370,088

The Corporation's pension costs consist of the following:

	2013	2012
Benefits accrued	\$ 831,051	\$ 737,439
Interest accrued on benefits	1,241,145	1,182,146
Amortization of actuarial gains	(18,192)	-
	\$ 2,054,004	\$ 1,919,585

The key actuarial assumptions were a rate of return of 6.00% (2012 – 6.00%), 2.00% inflation (2012 – 2.00%), salary rate increases of 3.75% (2012 – 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, 2013 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 \$20,587,677 (2012 – \$19,370,088), and has recorded revenue for 2012/13 equal to its increase in the unfunded pension liability during the year of \$1,217,580 (2012 – \$1,184,317). 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 (2012 – nil) for private bar fees and disbursements related to wrongful conviction cases. The balance remaining is \$78,559.

16. 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.

17. 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.

Notes to Financial Statements
for the year ended March 31, 2013

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.

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

Financial Asset/Liability	2013		2012	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	\$ 1,589,910	\$ 1,589,910	\$ 1,617,688	\$ 1,617,688
Client accounts receivable	168,586	168,586	196,059	196,059
Receivable from the Province of Manitoba	5,341,692	5,341,692	4,956,000	4,956,000
Receivable from the Government of Canada	167,450	167,450	171,896	171,896
Other receivables	472,454	472,454	323,444	323,444
Long-term receivables:				
• Charges on land	782,837	782,837	764,672	764,672
• Severance – Province of Manitoba	716,166	716,166	716,166	716,166
• Pension – Province of Manitoba	20,587,677	20,587,677	19,370,088	19,370,088
Accounts payable	5,412,709	5,412,709	4,424,250	4,424,250

Financial risk management – overview

The Corporation has potential 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.

Notes to Financial Statements
for the year ended March 31, 2013

The maximum exposure of the Corporation to credit risk at March 31, 2013 is:

Cash	\$	1,589,910
Client accounts receivable		168,586
Receivable from the Province of Manitoba		5,341,692
Receivable from the Government of Canada		167,450
Other receivables		472,454
Long-term receivables:		
• Charges on land		782,837
• Severance – Province of Manitoba		716,166
• Pension – Province of Manitoba		20,587,677
	\$	29,826,772

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 – Partial and Agreements to Pay – Full 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: Includes 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.

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.

Notes to Financial Statements
for the year ended March 31, 2013

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.



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, 2013. 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, 2013 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
August 27, 2013
Winnipeg, Manitoba

Notes to Financial Information for the year ended March 31, 2013

1. Basis of Accounting

a) 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, 2013. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

b) 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, 2013. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

c) 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, 2013 for providing legal aid. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.

LEGAL AID MANITOBA

Statement of Compensation Paid to Council Members and Employees

For the Year Ended March 31, 2013

(Prepared in accordance with Section 2 of the *Public Sector Compensation Disclosure Act*)

Paid to Council Members:

In aggregate \$47,804.68

Santos, Mario Former Council Chair 76,755.12

Paid to employees in excess of \$50,000:

Name	Position	Amount
Bates, G.D.	Supervising Attorney (Retired)	\$ 187,470.73
Clifford, G.	Executive Director	151,981.35
Kingsley, P.	Senior Area Director	145,941.69
Raposo, S.	Deputy Executive Director	145,805.73
McDonald, T.	Area Director/Supervising Attorney	144,994.10
Sherman, C.	Winnipeg Area Director	143,993.39
Sansregret, A.	Supervising Attorney	143,743.68
Brecht, R.B.	Staff Attorney	143,700.95
Gammon, G.B.	Legal Director	143,661.23
Cadloff, K.A.	Staff Attorney	143,368.55
Giesbrecht, L.D.	Area Director/Supervising Attorney	143,131.99
Koturbash, T.M.	Area Director/Supervising Attorney	141,753.39
Robinson, G.B.	Supervising Attorney	141,069.12
Williams, J.B.	Director, PILC	141,069.12
Lovegrove, C.	Supervising Attorney	140,748.39
Paluk, M.D.	Supervising Attorney	140,643.39
Joyce, D.	Supervising Attorney	140,463.39
Walker, M.	Supervising Attorney	140,130.99
Woodman, R.	Supervising Attorney	140,130.99
Hawrysh, G.B.	Supervising Attorney	139,900.39
Pauls, C.	Supervising Attorney	139,900.39
Van Schie, S.	Staff Attorney	138,324.12
Libman, A.	Staff Attorney	137,706.72
Dzydz, D.	Staff Attorney	137,433.39
Colquhoun, L.J.	Staff Attorney	137,100.99
Tailleux, L.J.	Staff Attorney	137,100.99
McAmmond, J.	Staff Attorney	136,937.39
MacAulay, G.G.	Staff Attorney	136,793.39
Sneesby, K.	Staff Attorney	131,759.54
Schwartz, B.A.	Supervising Attorney	129,963.19
Paler, S.	Staff Attorney	127,044.58
Kennedy, C.	Staff Attorney	120,899.17
Hwozdulych, B.A.	Staff Attorney	119,676.69

Name	Position	Amount
Loney, A.	Staff Attorney	\$ 119,229.15
Bowman, M.	Staff Attorney	117,951.42
Strang, K.	Staff Attorney	115,757.34
Tait, C.	Supervising Attorney	115,490.25
Cottam, G.	Staff Attorney	114,147.97
Horst, A.	Supervising Attorney	113,998.42
Froese, B.	Staff Attorney	109,742.22
Nygaard, D.	Staff Attorney	109,548.43
Anderson, L.	Staff Attorney	108,091.13
Aniceto, L.	Staff Attorney	105,719.19
Dowle, K.	Staff Attorney	104,757.15
Buss, B.	Staff Attorney	102,767.07
Henderson, D.	Staff Attorney	101,221.84
Craft, A.	Staff Attorney	100,481.99
Fawcett, R.	Staff Attorney	100,160.56
Ferens, M.	Staff Attorney	99,520.53
Tonge, P.	Staff Attorney	96,178.09
Pitts, H.	Supervising Attorney	90,908.74
Puranen, S.	Staff Attorney	88,997.26
Dwarka, R.N.	Director of Finance	86,698.78
Balneaves, S.	Information Technologist	86,037.20
Valcourt, G.	Information Technologist	85,474.20
Janis, R.	Staff Attorney	85,011.39
McNaught, I.	Staff Attorney	82,655.29
Mitchell, G.	Staff Attorney	80,174.98
Hanslip, M.	Staff Attorney	80,054.13
Tasche, H.	Staff Attorney	77,709.73
Liu, W.	Information Technologist	77,624.30
Mitchell, M.	Staff Attorney	74,747.01
Sieklicki, P.	Staff Attorney	73,352.97
Perchal, J.M.	Accountant	71,223.20
Wiebe, C.	Information Technologist	71,189.26
Swait, M.	Policy Analyst	66,992.90
Simpson, P.	Information Technologist	65,466.18
Clifford-Johnson, T.	Administrative Law Advocate	62,389.94
Liu, Y.	Accounting Clerk (Retired)	60,903.64
Makar, L.C.	Administrative Law Advocate	60,489.78
Settee, S.	Intake Officer	59,517.88
Drewniak, B.	Intake Officer	58,880.28
Williams, M.	Intake Officer	58,880.28
Rossnagel, J.	Payment Programs Clerk (Retired)	58,435.60
Unger, J.	Intake Officer	58,340.88

Name	Position	Amount
Muchnik, A.	Intake Officer	\$ 57,603.51
Penno, W.	Intake Officer	54,648.83
Caldwell, S.	Paralegal	53,880.34
Sinclair, M.	Staff Attorney	53,801.32
Lagimodiere, M.	Paralegal	53,622.52
Dorion, D.	Staff Attorney	53,447.52
Bakker, N.	Intake Officer	53,090.86
Settee, L.	Application Intake Assessment Officer	53,059.52
Langford, K.	Application Intake Assessment Officer	52,970.02
Beatty, M.	Application Intake Assessment Officer	52,102.32
Beens, D.	Office Manager	51,882.52
Laquette, J.J.	Paralegal	51,882.52
Maloney, M.E.	Intake Officer	51,882.52
Meade, E.	Intake Officer	51,263.42
Bracken, S.	Staff Attorney	50,542.20
Hebert, D.	Staff Attorney	50,476.18
Villanueva, C.	Legal Accounts Supervisor	50,396.73

LEGAL AID MANITOBA

Statement of Private Bar Fees and Disbursements of \$50,000 or more For the Year Ended March 31, 2013

(Prepared in accordance with Section 4 of the *Public Sector Compensation Disclosure Act*)

Name of Lawyer		Amount	Name of Lawyer		Amount
Zaman, Saheel	\$	542,743.12	Manning, Daniel	\$	94,266.40
Robbins, Jon		400,861.04	Wagner, Janelle		93,304.83
Sawchuk, Darren		341,308.97	Purvis, Darcy		89,071.58
Sinder, Barry		317,807.96	Locke, Lianne		87,415.88
Skinner, John		307,199.76	Soldier, Stacey		87,088.89
Van Dongen, Lori		294,787.66	Kreklewich, Daniel		85,379.51
Smith, Pamela		249,630.68	LaBossiere, Lisa		85,034.52
Phillips, David		244,728.31	Poole, Richard		84,597.62
Ramsay, John		240,190.91	Hatherly, Jason		83,446.69
Coggan, Derek		217,434.12	Rolston, Ryan		82,831.00
Phillips, Cory		209,413.75	Wood, James		78,923.25
Harrison, Robert		190,124.67	Boucher, Nolan		76,687.64
Ostapiw, Jody		180,716.56	Glazer, Martin		76,270.75
Bueti, Katherine		173,262.99	Buisse, Leandre		74,432.57
Brotsky, Greg		170,110.28	Johnson, Frank		73,484.49
Dawson, Roy		164,083.79	Robinson, Laura		72,895.55
Gould, Matthew		159,076.13	Gladstone, Brett		71,968.74
McKay, Cameron		152,929.95	Braun, Aaron		71,290.66
Bretecher, Jacqueline		150,268.52	Wiebe, Geraldine		69,180.64
Armstrong, Bill		146,723.11	Buzza, Timothy		68,428.41
Mokriy, Don		146,388.96	Webb, Karen		68,428.30
Corona, John		146,185.66	Laham Szutiak, Michelle		67,340.34
Thatcher, Regan		144,688.32	Roitenberg, Evan		66,816.11
Walker, Tara		139,527.21	Ryzniczuk, Lynn		66,007.33
Sigurdson, Chris		137,677.71	Klein, Mandy		65,060.00
Cook, Michael		133,464.82	Gama, Vanessa		64,518.76
Bonney, Bruce		129,659.46	Bright, Michelle		64,069.79
Rice, Edward		129,206.55	Gowenlock, Karl		64,021.35
Rees, Tom		125,774.95	Richer, Philippe		63,389.69
Cellitti, Antonio		125,015.69	Friesen, Stephen		62,225.60
Champagne, Gisele		123,617.68	Gudelot, Gregory		59,893.45
Bhangu, Mandeep		123,060.76	Dunn, Catherine		59,357.48
Mariash, Theodore		120,242.45	Raffey, Matthew		58,752.25
Newman, Scott		117,649.67	Sims, Norm		58,544.73
Schaan, Chad		115,733.41	Amy, Ryan		57,792.78
Kostiuk, Jeremy		107,883.48	Bourcier, Todd		55,331.64
Antila, Crystal		107,583.13	Mayer, Douglas		53,239.05
Martin-White, Wendy		100,820.38	Lazar, Michael		52,782.03
Davids, Michael		100,773.11	Malcolm, William		52,261.88
Inness, Sarah		95,337.84	Wach, Eric		50,832.60
Simmonds, Saul		94,602.70	McCoy, Chris		50,550.01

Notes

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 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

