



# Legal Aid Manitoba 43rd Annual Report 2014/2015





# Letter to the Minister



**Legal Aid Manitoba  
L'Aide Juridique du Manitoba**

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**FORTY-THIRD ANNUAL REPORT  
LEGAL AID MANITOBA  
Fiscal Year Ending March 31, 2015**

**The Honourable Gord Mackintosh  
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-Third Annual Report for the year ending March 31, 2015.**

**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,**

A blue ink signature of Timothy Valgardson, written in a cursive style.

**TIMOTHY VALGARDSON  
Chair  
Legal Aid Manitoba Management Council**



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# Message from the Chair and Executive Director

Legal Aid Manitoba (LAM) began this fiscal year with a continued focus on increasing access to justice for low-income individuals and groups in an accountable and transparent manner.

Management Council's oversight of LAM emphasizes:

- **Accountability** – The principle that LAM is obligated to demonstrate and take responsibility for its actions, decisions and policies and that it is answerable to the public at large.
- **Transparency** – The principle that LAM will conduct its business in an accessible, clear and visible manner and that its activities are open to examination by its stakeholders.

Management Council (MC) and the Executive Management Committee (EMC) are committed to ensuring that matters affecting LAM are approached in an accountable and transparent manner, with emphasis on openness, ethics, performance outcomes and fiscal responsibility.

In that regard, MC and EMC were pleased to post the following documents during this fiscal year on LAM's external website: [www.legalaid.mb.ca](http://www.legalaid.mb.ca):

- **Taxation Manual:** This Manual represents the Executive Director's interpretation of *The Legal Aid Manitoba Act and Regulation*, as they relate to the taxation of a Solicitor's Bill of Costs. Counsel can look for the specific type of bill to be submitted in the Table of Contents, and find the policy necessary to review a bill of costs that will permit proper taxation under the applicable tariff. This Manual operates alongside the Area Directors' Manual which sets out LAM policy relating to eligibility for legal aid, and Certificate issuance.
- **Area Directors' Manual:** This Manual provides access to LAM's policies regarding the provision of legal aid, and has links to pertinent decisions made by the Appeal Committee of MC in its interpretation and application of specific sections of the Manual.
- **Corporate Directors' Manual:** This Manual includes LAM's Vision/Mission statements, and provides information regarding the Governance model adopted by LAM.

During this fiscal year, MC and EMC were pleased to announce that favourable trends in all aspects of our business operations (including funding, cost-saving measures, productivity initiatives, and case volumes) have changed the “daunting” financial outlook reported in 2013/14, and has allowed LAM to fund more legal matters within its existing 2014/15 budget.

In the interest of increasing access to justice and legal representation for low-income individuals and groups, the Executive Director, with the approval of MC, has been exercising his discretion, and determining that Agreement to Pay (ATP) contracts, are not required from applicants whose income falls within the Partial and Full ATP financial eligibility guidelines.

Applicants within the following gross income ranges are now financially eligible to receive legal aid without having to contribute to the cost of their representation:

FAMILY SIZE	GROSS FAMILY INCOME
1	\$23,000
2	\$27,000
3	\$31,000
4	\$34,000
5	\$37,000
6	\$40,000
more than 6	\$43,000

Contributing to the above referenced turnaround on the funding side are:

- an assurance from Government that existing funding levels will remain in effect until March 31, 2016.
- Manitoba Law Foundation funding which has shown some stability after very low awards following the 2008 “sub-prime” meltdown.
- Public Interest Law Centre cost awards have been higher than average.

Our volume of cases has also stabilized with Justice policy changes resulting in a reduction of administration of justice charges (commonly known as breach charges).

In our 2013/14 Annual Report message we highlighted 26 measures aimed at achieving cost savings and productivity increases. We are now enjoying the benefit of many of those initiatives.

We have also increased our budget for the payment of complex criminal matters which our data analysis has identified as being significantly underpaid compared to other coverage areas.

The legal services provided by LAM are fundamental to a fair and balanced justice system. LAM remains committed to ensuring access to justice for eligible low-income individuals and groups.





# Management Council



Back row (from left to right): Lisa Settee, Tim Valgardson, Herbert Peters, Mark O'Neill, James McLandress  
Front Row: Aileen Madden, Diane Stevenson, Kim Milne

Tim Valgardson, Chair

James McLandress, Vice-Chair

Herbert Peters

Diane Stevenson

Aileen Madden

Kim Milne

Mark O'Neill

Lisa Settee

Rose Buss  
(March 27, 2015)



# Management Council Committees

## Advisory

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

## Appeals Panel

James McLandress, Chair  
Diane Stevenson  
Kim Milne  
Herbert Peters  
Mark O'Neill  
Lisa Settee  
Aileen Madden  
Tim Valgardson, ex-officio

## Finance/Audit

Kim Milne, Chair  
Aileen Madden  
Mark O'Neill  
Tim Valgardson, ex-officio

## Governance/Human Resources

Herbert Peters, Chair  
James McLandress  
Lisa Settee  
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 and  
Labour Management

Peter Kingsley  
Senior Area Director

## Area Directors

Cathy Sherman  
Winnipeg

Theresa McDonald  
Rural

# Strategic / Business Plan

Through Legal Aid Manitoba's (LAM's) strategic planning process, Management Council (MC) and the Executive Management Committee (EMC) identified seven areas of strategic focus to improve service delivery over the next five years (2013/14 to 2017/18):

- People Management/Morale
- Client Service
- Resources and Finance
- Systems/Technology
- Stakeholder Communication
- Northern and Rural Issues
- Governance

## Business Plan Activities (2014/15)

During 2014/15, LAM continued with its operational review of the organization. EMC reviewed LAM's operational procedures and practices to determine necessary changes required to maintain or improve upon core client services while maximizing our fiscal efficiency given the current environment of static funding.

For the current fiscal year, EMC moved forward with several key initiatives identified through the operational review:

### a) System/Technology Enhancements – Private Bar Online System and LAM's Paperless Office Environment

- **Strategic Focus Area Targeted** – Resources and Finance, Systems/Technology, Stakeholder Communication
- **Activities** – LAM deployed its online certificate system (PBOonline) in April 2014. Private bar practitioners now receive all legal aid certificates and disclosure electronically. The system also allows private bar lawyers to seek authorizations and disbursement requests through PBOonline. LAM is currently working on developing PBOonline's electronic bill statement submission capabilities.

LAM has also been steadily moving toward a paperless office environment improving upon its hardware and software capabilities to allow for the creation, scanning, storage and transfer of legal and administrative documents electronically throughout the entire organization. Moving towards a paperless office environment was a vital underlying structural component in the deployment of LAM's PBOonline software application.

With PBOonline and its paperless office environment, LAM anticipates significant savings as postage/courier and paper costs will be significantly reduced due to the ease with which legal and administrative documents can be sent (and stored) electronically to all our key stakeholders.

### b) Area Director Structural Changes

- **Strategic Focus Area Targeted** – People Management/Morale, Client Service, Resources and Finance, Systems/Technology, Northern/Rural Issues
- **Activities** – LAM restructured the delivery of legal services offered through its University of Manitoba Community Law Centre (UMCLC). Effective May 2014, the UMCLC operates much like staff lawyer offices. Students are issued certificates and manage their files accordingly all the while recording their activities in LAMAS. The UMCLC's restructure aims to increase access to justice to low-income individuals who do not qualify for legal aid services.

## c) Market Share Distribution

- **Strategic Focus Area Targeted** – People Management/Morale, Client Service, Resources and Finance, Stakeholder Communication, Northern/Rural Issues
- **Activities** – LAM implemented several changes to maximize LAM's efficient use of resources. Notably, LAM implemented a payment holiday to all legal aid clients by extending fully eligible legal aid coverage guidelines to all clients qualifying for its partial and full ATP programs. LAM also discontinued its Administration of Justice project (aka Breach Pilot project) due to decreases in caseload volumes and private bar lobbying, changed its client and taxation appeal processes from an oral to written format and suspended its Court Cost Project.

The Department of Justice Manitoba and LAM spearheaded a joint initiative entitled the Justice/Legal Aid Manitoba Client Case Velocity Project. Through this project, Justice is attempting to determine the overall impact to the Justice system by not investing in legal aid upfront. The project is currently following a sample of legal aid clients through the criminal court process to outline the amount of time spent on taking their criminal cases from first court appearance to conclusion. LAM and Justice are interested in determining what (if any) impact that unrepresented clients have on the progression of criminal cases through the court system. In 2014/15, student interns were employed to track a sample of applicants refused legal aid coverage through the justice system. This entailed querying various Department of Justice databases to pull relevant court information about a client's criminal matter through the system. LAM is currently reviewing/merging the relevant data points for statistical analysis.

LAM has been actively participating in a Department of Justice working group to establish Early Disposition Courts. The group's goal is to develop a duty counsel system for Winnipeg Courts. The group anticipates that Early Disposition Courts will assist in reducing remands and improving case velocity through the criminal justice system in Winnipeg.

LAM has also been participating in an Access to Justice Steering committee group chaired by the Law Society of Manitoba. The Committee is to promote efficient and effective justice for all Manitobans, with particular emphasis on justice services that address family law matters and the civil legal needs of Manitobans. The Committee includes representatives from a number of other stakeholders including the courts, the Manitoba Bar Association, the Faculty of Law and the public.

## d) Big Case Management/Note 5 Process

- **Strategic Focus Area Targeted** – People Management/Morale, Client Service, Resources and Finance, Systems/Technology, Stakeholder Communication
- **Activities** – LAM has taken steps to provide clarifications and explanations to counsel taking complex criminal matters about the Big Case Management process and its compensation formula. Counsel are now able to bill services rendered in BCM matters at the end of definite stages of legal proceedings (i.e. preliminary hearing or trial). LAM has also restructured the process of issuing junior counsel certificates for BCM Matters. Junior counsel are now remunerated for the completion of specific tasks. By removing these barriers, LAM anticipates that it will be better able to balance and allocate its funding so that it can more effectively compensate counsel for complex legal matters.

## e) Manual Updates

- **Strategic Focus Area Targeted** – People Management/Morale, Client Service, Resources and Finance, Systems/Technology, Stakeholder Communication, Governance
- **Activities** – During the course of fiscal year 2014/15, various revisions were made to the Area Directors' Manual, General Policy Manual, Taxation Manual and Management Council's Governance Manual to reflect recent changes highlighted above in LAM's operational structure and procedures.

# University of Manitoba Community Law Centre

During 2014/15, Legal Aid Manitoba (LAM) was pleased to partner with the University of Manitoba Robson Hall Faculty of Law to re-introduce its Clinical Criminal Law Course in an updated format within the existing University of Manitoba Community Law Centre (UMCLC). Funding was provided by the Law Foundation of Manitoba, with in-kind contributions made by LAM, and the Faculty of Law.

The UMCLC located on the University of Manitoba campus, has been a part of LAM since 1972. The office primarily provides representation in Criminal Code offences that are not eligible for Legal Aid coverage because they are not likely to result in a sentence of incarceration. During the school year the UMCLC is staffed by 50 - 100 second and third year Law Student volunteers. Four students are hired during the summer months to provide continuity for clients of the Centre. The students are registered with the Law Society of Manitoba and provide representation as permitted under Section 21 of *The Legal Professions Act*.

The primary focus of the re-introduced Clinical Criminal Law Course is the development of skills required in the practice of law. These skills include: interviewing, counselling, negotiation, and advocacy skills such as case assessment and research, witness examination (direct and cross), oral argument, file management and record keeping. Students enrolled in the Clinical Criminal Law Course must satisfactorily complete an average of 15 - 20 hours each week under the supervision of a Supervising Lawyer from LAM.

The Clinical Criminal Law course was first offered during the 2015 Winter Session. Seven students were enrolled and successfully completed the Course. The feedback received from the faculty and students was very positive. The faculty has requested that the course continue to be offered for the 2016 Winter Session.

LAM appreciates the opportunity to partner with the Law Foundation of Manitoba and the Robson Hall Faculty of Law to enhance experiential learning for Law Students in the area of criminal law while at the same time enhancing access to justice for low-income Manitobans. LAM also greatly appreciates the support and cooperation it has received from Staff Lawyers who have participated by supervising Law Students enrolled in the Clinical Criminal Law Course.



# 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, 2014 and March 31, 2015. 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 2014/15
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 corrective 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 (CLC) Statistics						
	Supervising Attorney	Staff Lawyer	Advocates/ Paralegal	Articling Student	Support Staff	Total
<b>Winnipeg Offices:</b>						
Agassiz CLC	1	4	0	1	4	10
Child Protection Law Office	1	1	0	1	3	6
Criminal Duty Counsel Office	1	6	0	0	1	8
Phoenix CLC	1	4	0	1	3	9
Public Interest Law Centre	1	3	2	1	2	9
Regency CLC	1	2	0	1	2	6
Riel CLC	1	4	0	1	3	9
Riverwood CLC	1	3	0	1	2	7
University of Manitoba CLC	0	0	0	0	1	1
Willow CLC	1	3	0	1	4	9
<b>Outlying Offices:</b>						
Amisk CLC, Dauphin	1	3	1	0	2	7
Northlands CLC, The Pas	1	1	0	2	2	6
Thompson CLC, Thompson	1	3	1	2	2	9
Westman CLC, Brandon	1	2	0	1	3	7
<b>All Community Law Centres</b>	<b>13</b>	<b>39</b>	<b>4</b>	<b>13</b>	<b>34</b>	<b>103</b>



Service Delivery Volumes	2014/15	2013/14
Application Services		
Applications Received <sup>1</sup>	31,322	33,063
Applications Rejected	6,145	6,400
Legal Matters Issued (Opened Cases)		
Criminal Adult	17,825	18,604
Criminal Youth	3,163	3,777
Family	5,921	5,963
Other Civil	233	254
<i>Total Legal Matters Issued (a) <sup>2</sup></i>	<i>27,142</i>	<i>28,598</i>
<i>LM issued to Private Bar</i>	<i>17,368</i>	<i>18,526</i>
<i>LM issued to Staff</i>	<i>9,504</i>	<i>10,072</i>
Other Services		
Duty Counsel Assists (b)	47,965	44,524
Drop-In and Phone Assists (c) <sup>3</sup>	11,826	17,526
<b>TOTAL ASSISTS (a + b + c) <sup>4</sup></b>	<b>86,933</b>	<b>90,648</b>
Legal Matters Closed		
Criminal Adult	17,988	17,264
Criminal Youth	3,417	3,761
Family	5,728	5,067
Other Civil	254	244
<i>Total Legal Matters Closed</i>	<i>27,387</i>	<i>26,336</i>
<i>LM closed by Private Bar</i>	<i>17,674</i>	<i>16,298</i>
<i>LM closed by Staff</i>	<i>9,713</i>	<i>10,038</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 2014/15, the ratio of private bar to staff services was 64:36 (65:35).

3 Includes assists provided through LAM's application centres, University of Manitoba CLC, Age & Opportunity, custody calls and general assistance calls.

4 At the end of March 31, 2015, a total of 86,933 (90,648) people were assisted either on a formal or informal basis. This represents a decrease of 4.1% over the previous fiscal year.

For 2014/15, LAM observed decreases in applications received, legal matters issued as well as drop-in/phone assists.

# Financial Overview

## Sources of Funding

During 2014/15, 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 including staff and members of the private bar and administration. The table below shows the distribution.

## Significant Pressure 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.

	2015 (\$000's)	2014 (\$000's)
Operating Fund Revenue:		
Appropriation	\$ 31,868	\$ 30,225
Manitoba Law Foundation	1,421	1,194
Other <sup>1</sup>	1,656	1,958
<b>TOTAL REVENUE</b>	<b>34,945</b>	<b>33,377</b>
Operating Fund Expenses:		
Private Bar <sup>2</sup>	12,180	11,319
Direct legal services <sup>3</sup>	19,695	19,716
Administration <sup>4</sup>	1,792	1,698
<b>TOTAL EXPENSES</b>	<b>33,667</b>	<b>32,733</b>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>\$ 1,278</b>	<b>\$ 644</b>

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

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

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

<sup>4</sup> 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, 2015.

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 24, 2015

# 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, 2015 and the statements of operations, 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 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, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in blue ink, reading "Office of the Auditor General".



Office of the Auditor General  
August 24, 2015  
Winnipeg, Manitoba

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169  
[www.oag.mb.ca](http://www.oag.mb.ca)

**LEGAL AID MANITOBA**  
Statement of Financial Position  
As at March 31

	2015	2014
<b>ASSETS</b>		
Current Assets		
Cash	\$ 2,088,880	\$ 3,017,150
Short-term investment	1,518,277	-
Client accounts receivable (Note 3)	187,444	258,838
Receivable from the Province of Manitoba	5,790,000	5,115,000
Other receivables (Note 4)	221,448	334,433
Prepaid expenses	232,621	244,124
	<b>10,038,670</b>	<b>8,969,546</b>
Capital Assets (Note 5)	299,302	325,865
Long-term receivable - charges on land (Note 6)	877,702	742,633
Long-term receivable - severance - Province of Manitoba (Note 7)	716,166	716,166
Long-term receivable - pension - Province of Manitoba (Note 14)	23,320,997	22,017,688
	<b>\$ 35,252,837</b>	<b>\$ 32,771,897</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable	\$ 4,705,345	\$ 5,183,560
Accrued vacation pay	1,242,116	1,344,588
Deferred revenue from clients	670,323	616,814
	<b>6,617,784</b>	<b>7,144,962</b>
Provision for employee future benefits (Note 8)	2,815,603	2,388,693
Provision for employee pension benefits (Note 14)	23,320,997	22,017,688
	<b>26,136,600</b>	<b>24,406,381</b>
Net Assets		
Invested in Capital Assets	299,302	325,865
Externally Restricted Net Assets (Note 15)	78,559	78,559
Internally Restricted Net Assets (Note 16)	1,500,000	-
Unrestricted Net Assets	620,592	816,130
	<b>2,498,453</b>	<b>1,220,554</b>
	<b>\$ 35,252,837</b>	<b>\$ 32,771,897</b>

**Approved by the Council**

  
\_\_\_\_\_  
  
\_\_\_\_\_

**Chairperson**

**Council Member**

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

	2015	2014
Revenue		
Province of Manitoba (Note 9)	\$ 31,985,141	\$ 30,305,241
Manitoba Law Foundation (Note 10)	1,420,635	1,273,629
Contributions from clients	750,827	923,768
Recoveries from third parties	879,747	958,524
Government of Canada	-	25,000
Judgment costs and settlements	169,501	127,430
Interest income	20,611	8,849
Other	20,965	8,692
	<b>35,247,427</b>	<b>33,631,133</b>
Expense		
Private bar fees and disbursements (Note 13)		
Legal aid certificates	11,577,889	10,807,024
Duty counsel services	546,371	463,324
Transcripts	55,667	48,250
	<b>12,179,927</b>	<b>11,318,598</b>
Community Law Centres, Schedule 1	12,736,438	13,024,953
Public Interest Law Centre, Schedule 1	1,717,032	1,733,025
University of Manitoba Community Law Centre, Schedule 1	128,093	124,632
General and Administrative, Schedule 1	7,208,038	6,786,018
	<b>33,969,528</b>	<b>32,987,226</b>
<b>Excess of revenue over expense</b>	<b>\$ 1,277,899</b>	<b>\$ 643,907</b>



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

	2015					2014
	Invested in Capital Assets	Externally Restricted Net Assets (Note 15)	Internally Restricted Net Assets (Note 16)	Unrestricted Net Assets	Total	Total
Balance, Beginning of Year	\$ 325,865	\$ 78,559	\$ -	\$ 816,130	\$ 1,220,554	\$ 576,647
Excess (deficiency) of revenue over expense	(67,872)	-	-	1,345,771	1,277,899	643,907
Capital Asset Additions	41,309	-	-	(41,309)	-	-
Internally imposed restriction	-	-	1,500,000	(1,500,000)	-	-
<b>BALANCE, END OF YEAR</b>	<b>\$ 299,302</b>	<b>\$ 78,559</b>	<b>\$ 816,130</b>	<b>\$ 620,592</b>	<b>\$ 2,498,453</b>	<b>\$ 1,220,554</b>

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

	2015	2014
Cash Flow Provided by (Used In) Operating Activities:		
Excess of revenue over expense	\$ 1,277,899	\$ 643,907
Add items not affecting cash		
Amortization	67,872	95,464
Loss on disposal of capital assets	-	94,311
Changes in working capital:		
Client accounts receivable	71,394	(90,252)
Receivable from Province of Manitoba	(675,000)	226,692
Receivable from Government of Manitoba	-	167,450
Other receivables	112,985	138,021
Prepaid expenses	11,503	(16,265)
Accounts payable and accrued vacation pay	(580,687)	(175,074)
Deferred revenue from clients	53,509	162,274
Charges on land	(135,069)	40,204
Long-term receivable - pension	(1,303,309)	(1,430,011)
Severance liability	42,410	214,266
Sick Leave liability	384,500	-
Provision for employee pension benefits	1,303,309	1,430,011
	<b>631,316</b>	<b>1,500,998</b>
Cash Flow Provided by (Used In) Capital Activities:		
Purchase of short-term investment	(1,518,277)	-
Purchase of capital assets	(41,309)	(73,758)
	<b>(1,559,586)</b>	<b>(73,758)</b>
Net Increase (Decrease) in Cash for the Year	(928,270)	1,427,240
Cash - Beginning of Year	3,017,150	1,589,910
Cash - End of Year	\$ 2,088,880	\$ 3,017,150

Supplemental Cash Flow Information	2015	2014
Interest Received	\$ 20,611	\$ 8,849

LEGAL AID MANITOBA												
Schedule of Expenses												
for the year ended March 31												
	Community Law Centres		Public Interest Law Centre		University of Manitoba Community Law Centre		General and Administrative				Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Advertising	-	-	-	-	-	-	-	-	22,427	21,807	22,427	21,807
Amortization	42,514	41,871	2,110	2,412	1,515	2,816	21,733	48,365	67,872	67,872	95,464	95,464
Bad debts	-	-	-	-	-	-	286,951	239,674	286,951	239,674	239,674	239,674
Bank charges	-	-	-	-	-	-	2,384	2,075	2,384	2,384	2,075	2,075
Collection costs	-	-	-	-	-	-	15,150	14,230	15,150	15,150	14,230	14,230
Computer costs	69,566	21,835	7,047	972	3,912	159	75,063	20,493	155,588	155,588	43,459	43,459
Council expenses	-	-	-	-	-	-	85,370	103,123	85,370	85,370	103,123	103,123
Duty counsel	202,712	196,100	3,669	3,899	-	-	735	904	207,116	207,116	200,903	200,903
Equipment maintenance	57,728	81,600	3,918	3,280	-	612	28,273	32,160	89,919	89,919	117,652	117,652
File disbursements	312,606	287,114	711,347	641,893	2,090	3,551	26,370	24,621	1,052,413	1,052,413	957,180	957,180
Library	71,732	79,391	11,522	9,627	140	133	2,651	1,707	86,045	86,045	90,858	90,858
Meetings	2,965	4,238	763	907	1,544	1,813	9,960	8,752	15,232	15,232	15,710	15,710
Office expenses	160,042	187,158	14,591	13,936	5,552	5,019	132,110	129,856	312,295	312,295	335,969	335,969
Office relocation	7,425	6,767	3,176	480	-	-	3,773	-	14,374	14,374	7,247	7,247
Pension costs (Note 14)	-	-	-	-	-	-	2,352,428	2,376,552	2,352,428	2,352,428	2,376,552	2,376,552
Premise costs	908,055	998,498	61,965	56,044	67	92	310,154	303,131	1,280,241	1,280,241	1,357,765	1,357,765
Professional fees	212,774	204,886	20,663	19,423	650	775	146,164	133,732	380,251	380,251	358,816	358,816
Salaries, benefits and levy	10,332,351	10,577,137	845,862	948,543	97,228	98,547	2,941,823	2,965,636	14,217,264	14,217,264	14,589,863	14,589,863
Severance benefits	-	-	-	-	-	-	269,039	269,947	269,039	269,039	269,947	269,947
Sick leave provision	-	-	-	-	-	-	384,500	-	384,500	384,500	-	-
Staff development	91,545	45,547	4,452	7,966	-	-	15,774	7,156	111,771	111,771	60,669	60,669
Staff recruitment	7,501	21,812	264	214	40	34	855	262	8,660	8,660	22,322	22,322
Telephone	99,026	109,302	12,902	10,419	2,614	2,696	61,199	67,366	175,741	175,741	189,783	189,783
Transcripts	20,662	14,517	-	-	-	-	-	-	20,662	20,662	14,517	14,517
Travel	137,234	147,180	12,781	13,010	12,741	8,385	13,152	14,469	175,908	175,908	183,044	183,044
TOTAL	\$ 12,736,438	\$ 13,024,953	\$ 1,717,032	\$ 1,733,025	\$ 128,093	\$ 124,632	\$ 7,208,038	\$ 6,786,018	\$ 21,789,601	\$ 21,789,601	\$ 21,668,628	\$ 21,668,628

# Notes to Financial Statements

## LEGAL AID MANITOBA

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Notes to Financial Statements  
for the year ended March 31, 2015

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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

The financial statements are prepared in accordance with the Canadian standards for government not-for-profit organizations ("GNFPO") including Public Sector Accounting Handbook 4200 series as issued by the Canadian Public Sector Accounting Standards Board.

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 measured at fair value are recorded in accumulated surplus as re-measurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative re-measurement gains and losses are reclassified to the statement of operations. The Corporation did not incur any re-measurement gains and losses during the year ended March 31, 2015 (2014 – \$nil).

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.

The Corporation's financial instruments include cash, short-term investments, client accounts receivable, receivable from the Province of Manitoba, other receivables, long-term receivables, and accounts payable.

### Notes to Financial Statements for the year ended March 31, 2015

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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. Estimates include the allowance for doubtful accounts, accrual for private bar fees and the severance liability and provision for employee pension benefits. 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) Short-Term Investments

Short-term investments consist of Guaranteed Investment Certificates with maturity dates within one year.

f) 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

### Notes to Financial Statements for the year ended March 31, 2015

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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.

g) 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.

h) 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.

i) 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 (2014 – 15 years). Amortization commences the year following the year when the actuarial gain or loss arises.

j) Severance Liability

The Corporation records 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



## LEGAL AID MANITOBA

### Notes to Financial Statements for the year ended March 31, 2015

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

k) Sick Leave Liability

The Corporation records the estimated liability for accumulated sick leave 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.

3. Client Accounts Receivable

	2015	2014
Agreements to Pay – Partial	\$ 36,540	\$ 51,655
Agreements to Pay – Full	391,670	442,805
	428,210	494,460
Less: Allowance for Doubtful Accounts	240,766	235,622
Client accounts receivable	\$ 187,444	\$ 258,838

4. Other Receivables

	2015	2014
Court costs	\$ 375,126	\$ 273,886
Child and Family Services agencies	91,859	61,762
Employment and Income Assistance	110,300	153,809
Employee advances, GST recoverable, and miscellaneous	12,838	113,302
	590,123	602,759
Less: Allowance for Doubtful Accounts	368,675	268,326
Other receivables	\$ 221,448	\$ 334,433

## LEGAL AID MANITOBA

### Notes to Financial Statements for the year ended March 31, 2015

#### 5. Capital Assets

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and office equipment	\$ 299,555	\$ 217,277	\$ 318,731	\$ 216,469
Computer hardware & software	281,496	224,304	324,385	266,036
Leasehold improvements	211,322	51,490	198,923	33,669
	\$ 792,373	\$ 493,071	\$ 842,039	\$ 516,174
Net book value		\$ 299,302		\$ 325,865

#### 6. Charges on Land

	2015	2014
Charges on land	\$ 1,873,004	\$ 1,587,154
Less: Allowance for Doubtful Accounts	995,302	844,521
Charges on land	\$ 877,702	\$ 742,633

#### 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. Provision for Employee Future Benefits

	2015	2014
Severance benefits	\$ 2,431,103	\$ 2,388,693
Sick leave benefits	384,500	-
	\$ 2,815,603	\$ 2,388,693

Notes to Financial Statements  
for the year ended March 31, 2015

Severance benefits

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, 2015 by Ellement Consulting Group. The Corporation's actuarially determined net liability for accounting purposes as at March 31, 2015 was \$2,431,103 (2014 - \$2,388,693). The report provides a formula to update the 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.

	2015	2014
Balance at beginning of year	\$ 2,461,648	\$ 2,258,837
Benefits accrued	117,594	117,444
Interest accrued on benefits	150,653	149,761
Benefits paid	(226,629)	(55,681)
Actuarial (gain) loss	(200,336)	(8,713)
Balance at end of year	2,302,930	2,461,648
Unamortized actuarial gains (losses)	128,173	(72,955)
	\$ 2,431,103	\$ 2,388,693

The Corporation's severance costs consist of the following:

## LEGAL AID MANITOBA

### Notes to Financial Statements for the year ended March 31, 2015

	2015	2014
Benefits accrued	\$ 117,594	\$ 117,444
Interest accrued on benefits	150,653	149,761
Amortization of actuarial losses (gains)	792	2,742
	\$ 269,039	\$ 269,947

Significant long-term actuarial assumptions used in the March 31, 2015 valuation, and in the determination of the March 31, 2015 present value of the accrued severance benefit obligation were:

	2015	2014
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%	1.00%
	3.75%	3.75%

#### Sick leave benefits

Effective April 1, 2014, the Corporation commenced recording the estimated liability for sick leave benefits for their employees that accumulate but do not vest. The amount of this estimated liability is based on actuarial calculations.

An actuarial report was completed for the sick leave liability as at March 31, 2015 by Ellement Consulting Group. The valuation is based on employee demographics, sick leave usage and actuarial assumptions. These assumptions include an annual rate of return of 6.00% and a salary increase rate of 3.75%. The Corporation's actuarially determined net liability for accounting purposes as at March 31, 2015 was \$384,500.

## LEGAL AID MANITOBA

### Notes to Financial Statements for the year ended March 31, 2015

#### 9. Revenue from the Province of Manitoba

	2015	2014
Grant	\$ 16,648,632	\$ 15,014,767
Salaries and other payments	12,955,017	12,984,329
Health and post secondary education tax levy	280,012	276,993
Employer portion of employee benefits	1,984,780	1,949,402
Other government agencies	116,700	79,750
	\$ 31,985,141	\$ 30,305,241

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

	2015	2014
Statutory grant	\$ 1,154,635	\$ 1,007,629
Public Interest Law Centre	180,000	180,000
University of Manitoba Community Law Centre	86,000	86,000
	\$ 1,420,635	\$ 1,273,629

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.

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 of Manitoba Community Law Centre. At March 31, 2015, all funds received through these grants have been spent in the current year.

#### 11. Commitments

##### a) Lease

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

## LEGAL AID MANITOBA

### Notes to Financial Statements for the year ended March 31, 2015

2016	\$ 1,165,875
2017	1,106,776
2018	1,114,686
2019	1,122,183
2020	1,074,599
Thereafter	5,318,565
	<b>\$ 10,902,684</b>

b) Private Bar

Estimated total commitments for future billings on outstanding Legal Aid Certificates amount to \$2,866,000 as at March 31, 2015 (2014 - \$2,587,000).

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

	2015			2014
	Fees	Disbursements	Total	Total
Legal aid certificates	\$ 10,895,053	\$ 682,836	\$ 11,577,889	\$ 10,807,024
Duty counsel services	546,371	0	546,371	463,324
Transcripts	0	55,667	55,667	48,250
	<b>\$ 11,441,424</b>	<b>\$ 738,503</b>	<b>\$ 12,179,927</b>	<b>\$ 11,318,598</b>

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, 2014 by Ellement Consulting Group. The actuary has projected the pension obligation to March 31, 2015.



## LEGAL AID MANITOBA

### Notes to Financial Statements for the year ended March 31, 2015

	2015	2014
Balance at beginning of year	\$ 22,718,698	\$ 22,017,185
Benefits accrued	858,640	853,343
Interest accrued on benefits	1,357,407	1,428,121
Benefits paid	(1,049,120)	(945,541)
Actuarial (gain) loss	95,703	(634,410)
Balance at end of year	23,981,328	22,718,698
Unamortized actuarial gains (losses)	(660,331)	(701,010)
	\$ 23,320,997	\$ 22,017,688

The Corporation's pension costs consist of the following:

	2015	2014
Benefits accrued	\$ 858,640	\$ 853,343
Interest accrued on benefits	1,357,407	1,428,121
Amortization of actuarial (gains) losses	136,381	94,088
	\$ 2,352,428	\$ 2,375,552

The key actuarial assumptions were a rate of return of 6.00% (2014 – 6.00%), 2.00% inflation (2014 – 2.00%), salary rate increases of 3.75% (2014 – 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, 2015.

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 \$23,320,997 (2014 – \$22,017,688), and has recorded revenue for 2014/15 equal to its increase in the unfunded pension liability during the year of \$1,303,309 (2014 – \$1,430,011). The Province makes payments on the receivable when it is determined that the cash is required to discharge the related pension obligation.

#### 15. Externally 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

### Notes to Financial Statements for the year ended March 31, 2015

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appeals. In the current fiscal year, the Corporation did not incur any expenses (2014 - nil) for private bar fees and disbursements related to wrongful conviction cases. The balance remaining is \$78,559.

16. Internally Restricted Net Assets – Access to Justice Initiatives

Effective the fiscal year ended March 31, 2015, the Management Council internally restricted \$1,500,000 of the accumulated surplus for the purpose of implementing access to justice initiatives and addressing the low financial eligibility guidelines. These funds are not available for other purposes without approval by the Management Council.

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. Financial Risk Management

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.

The maximum exposure of the Corporation to credit risk at March 31, 2015 is:

## LEGAL AID MANITOBA

### Notes to Financial Statements for the year ended March 31, 2015

Cash	\$ 2,088,880
Short term investment	1,518,277
Client accounts receivable	187,444
Receivable from the Province of Manitoba	5,790,000
Other receivables	221,448
Long-term receivables:	
• Charges on land	877,702
• Severance - Province of Manitoba	716,166
• Pension - Province of Manitoba	23,320,997
	\$ 34,720,914

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

Short term investment: The Corporation is not exposed to significant credit risk as the short term investments consists of a Guaranteed Investment Certificate 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.

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

Notes to Financial Statements  
for the year ended March 31, 2015

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.

The Corporation establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, client analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off.

The change in the allowance for doubtful accounts during the year was as follows:

	2015	2014
Balance, beginning of the year	\$ 1,348,469	\$ 1,399,172
Provision for bad debts	286,951	239,674
Amounts written off	(30,677)	(290,377)
Balance, end of the year	\$ 1,604,743	\$ 1,348,469

### 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.

### 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.

Notes to Financial Statements  
for the year ended March 31, 2015

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**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 of \$50,000 or more of Legal Aid Manitoba for the year ended March 31, 2015. 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, 2015 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 24, 2015  
Winnipeg, Manitoba

# Notes to Financial Statements

## LEGAL AID MANITOBA

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Note to Financial Information  
for the year ended March 31, 2015

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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, 2015 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, 2015. 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 who received compensation of \$50,000 or more during the fiscal year ended March 31, 2015. The amounts are calculated in accordance with the *Public Sector Compensation Disclosure Act* of Manitoba.



**LEGAL AID MANITOBA**  
**Statement of Private Bar Fees and Disbursements of \$50,000 or more**  
**For the Year Ended March 31, 2015**

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

Name of Lawyer	Amount	Name of Lawyer	Amount
Ramsay, John	\$ 293,984.45	Bueti, Katherine	\$ 108,059.76
Briscoe, Curtis	291,684.89	Champagne, Gisele	106,847.84
Gladstone, Brett	288,265.27	Dawson, Roy	103,619.84
Skinner, John	284,701.68	Thatcher, Regan	103,308.51
McKay, Cameron	251,000.85	Jones, Kristen	99,009.35
Zaman, Saheel	250,993.24	Inness, Sarah	96,796.20
Van Dongen, Lori	235,705.32	Glazer, Martin	95,706.81
Harrison, Robert	230,800.86	McKelvey-Gunson, Andrew	95,591.50
Sawchuk, Darren	230,475.54	Bonney, Bruce	94,089.14
Phillips, David	229,633.72	Davids, Michael	93,975.88
Sinder, Barry	218,847.08	Bright, Michelle	90,799.76
Phillips, Cory	213,479.40	Pariseau, Janelle	90,566.78
Smith, Pamela	204,673.62	Webb, Karen	89,061.86
Santos, Mario	200,296.67	Purvis, Darcy	88,993.53
Corona, John	200,276.16	Bhangu, Mandeep	86,848.39
Martin-White, Wendy	199,320.92	Newman, Scott	84,580.40
Rees, Tom	193,381.19	Walker, Tara	83,876.56
Bretecher, Jacqueline	186,758.38	Dorion, Desiree	82,963.94
Ostapiw, Jody	174,089.75	Raffey, Matthew	82,927.73
Coggan, Derek	165,831.36	Stern, Gary	82,902.20
Crookshanks, Rebecca	164,613.74	Bator, Catherine	81,648.59
Sigurdson, Chris	159,559.11	Dyck, Michael	80,988.73
Cook, Michael	158,670.84	Braun, Aaron	79,691.62
Roitenberg, Evan	152,368.45	McCoy, Chris	73,981.86
Hayward, Steven	148,495.04	Schaan, Chad	72,232.44
Armstrong, Bill	144,972.79	Brodsky, Greg	71,850.09
Wiebe, Geraldine	143,920.86	Soldier, Stacey	69,982.93
Mokriy, Don	136,623.51	Advent, Kristofer	69,731.66
Mariash, Theodore	136,623.37	Kreklewich, Daniel	69,526.68
English, Chantal	125,257.88	Murphy, Edmond	66,590.73
Marks, William	123,526.40	Alcock, Richard	65,797.18
Cellitti, Antonio	120,335.43	Boucher, Nolan	65,547.20
Antila, Crystal	117,032.53	Synyshyn, Andrew	64,452.59
Robinson, Laura	115,281.13	Keesic, Steven	64,036.22
Gould, Matthew	114,222.74	Sims, Norm	61,857.81
Jones, Zilla	112,933.15	Wood, James	61,319.00
Puranen, Serena	109,331.80	Claros, Amado	60,387.30

Khan, Bashir	\$	60,219.80	Shankar, Arjun	\$	55,428.16
Dunn, Catherine		60,186.01	Buisse, Leandre		54,651.94
Johnson, Alexandra		59,938.99	Lazar, Michael		54,514.14
Buzza, Timothy		59,471.32	Rice, Edward		53,455.37
Goeres, Ursula		59,210.00	Bourcier, Todd		52,027.19
Friesen, Stephen		58,883.42	Campbell, Roberta		50,169.89
Manning, Daniel		57,714.05	Kostiuk, Jeremy		50,003.17
Hatherly, Jason		57,664.47			
The payments reflected in this statement are on a cash basis.					

**LEGAL AID MANITOBA**  
**Statement of Compensation Paid to Council Members and Employees**  
**For the Year Ended March 31, 2015**  
*(Prepared in accordance with Section 2 of the Public Sector Compensation Disclosure Act)*

**Paid to Council Members:**

**In aggregate:**

**\$45,253.04**

**Amounts paid to employees of \$50,000 or more:**

Name	Position	Amount
Brecht, R.	Staff Attorney (Retired)	\$ 192,758.51
Clifford, G.	Executive Director	161,215.56
McDonald, T.	Area Director	155,197.38
Williams, J.B.	Director, PILC	154,406.58
Cadloff, K.	Staff Attorney	154,208.00
Robinson, G.	Supervising Attorney	153,966.22
Sansregret, A.	Supervising Attorney	153,841.58
Sherman, C.	Area Director	153,547.40
Gammon, G.B.	Legal Director	153,257.36
Kingsley, P.	Senior Area Director	153,257.36
Raposo, S.	Deputy Executive Director	152,915.36
Hawrysh, G.	Supervising Attorney	151,787.56
Walker, M.	Supervising Attorney	151,462.48
Lovegrove, C.	Supervising Attorney	150,747.40
Paluk, M.	Supervising Attorney	150,727.40
Pitts, H.	Supervising Attorney	150,081.82
Pauls, C.	Supervising Attorney	150,047.40
Koturbash, T.	Supervising Attorney	149,180.98

Name	Position	Amount
Sneesby, K.	Staff Attorney	\$ 148,570.02
Giesbrecht, L.	Supervising Attorney	148,557.40
Van Schie, S.	Staff Attorney	148,172.95
Libman, A.	Staff Attorney	147,924.91
Paler, S.	Staff Attorney	147,664.30
Woodman, F.G.R.	Staff Attorney	147,512.40
Loney, A.	Staff Attorney	147,497.40
Schwartz, B.	Staff Attorney	147,464.82
Tailleur, L.	Staff Attorney	147,172.40
Dzydz, D.	Staff Attorney	147,047.40
MacAulay, G.	Staff Attorney	146,867.40
McAmmond, J.	Staff Attorney	146,507.40
Horst, A.	Supervising Attorney	141,875.44
Kennedy, C.	Staff Attorney	138,539.38
Joycey, D.	Supervising Attorney (Retired)	135,364.15
Aniceto, L.	Staff Attorney	132,450.01
Nygaard, D.	Staff Attorney	130,862.06
Tait, C.	Staff Attorney	128,955.48
Hwozdulych, B.	Staff Attorney	128,046.60
Koshy, S.	Supervising Attorney	126,653.54
Cottam, G.C.	Staff Attorney	126,370.44
Fawcett, R.	Staff Attorney	126,052.98
Anderson, L.	Staff Attorney	122,190.90
Henderson, D.	Staff Attorney	121,926.42
Dowle, K.	Staff Attorney	116,366.38
Bracken, S.	Staff Attorney	115,343.86
Ferens, M.	Staff Attorney	115,290.48
Tonge, P.	Staff Attorney	113,519.20
Lamont, K.	Staff Attorney	110,682.84
McNaught, I.	Staff Attorney	103,824.48
Colquhoun, L.	Staff Attorney	103,437.81
Hanslip, M.	Staff Attorney	102,414.04
Tasche, H.	Staff Attorney	96,270.76
Mitchell, M.	Staff Attorney	92,529.06

Name	Position	Amount
Balneaves, S.	Information Technologist	\$ 88,355.88
Dwarka, R.	Director of Finance and Labour Management	88,288.48
Sieklicki, P.	Staff Attorney	87,967.91
Valcourt, G.	Information Technologist	87,815.88
Lagimodiere, M.	Paralegal (Retired)	87,243.76
Neufeld, J.	Staff Attorney	80,908.56
Sinclair, M.	Staff Attorney	80,147.30
Liu, W.	Information Technologist	79,754.48
Bachelor, I.	Staff Attorney	79,328.01
Froese, B.	Staff Attorney	78,277.20
Menzies, M.	Staff Attorney	78,038.13
Wiebe, C.	Information Technologist	73,929.70
Simpson, P.	Information Technologist	72,478.38
Beatty, M.	Intake Officer (Retired)	70,667.44
Mason, J.	Staff Attorney	69,900.60
Makar, L.	Administrative Law Advocate (Retired)	69,184.18
Swait, M.	Policy Analyst	68,840.20
Clifford-Johnson, T.	Administrative Law Advocate	68,308.84
Pastora Sala, J.	Staff Attorney	67,864.71
Strang, K.	Staff Attorney	67,487.39
Kuszelewski, R.	Staff Attorney	65,893.61
Unger, J.	Administrative Law Advocate	65,448.18
Jack, S.	Staff Attorney	63,625.67
Drewniak, B.	Intake Officer	61,149.40
Williams, M.	Intake Officer	61,149.40
Settee, S.	WAC Supervisor	61,143.00
Villanueva, C.	Legal Accounts Supervisor (Retired)	60,883.88
Muchnik, A.	Intake Officer	60,343.00
Caldwell, S.	Paralegal	57,923.38
Settee, L.	Paralegal	55,092.28
Hlady, C.	Intake Officer	54,211.06
Beens, D.	Office Manager	54,178.18
Langford, K.	Intake Officer	53,892.28
Maloney, M.	Intake Officer	53,892.28

Name	Position	Amount
Carpentier, L.	Intake Clerk (Retired)	\$ 53,782.19
Lundrigan, D.	Intake Officer	53,017.39
Plenert, H.	Application Intake Assessment Officer	52,817.71
Meade, E.	Intake Officer	52,817.70
Sankar, M.	Application Intake Assessment Officer	52,020.20
McRobbie, C.	Financial Review Officer	50,845.15
Buss, B.	Staff Attorney	50,457.47

# 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

## Regency CLC

300 - 287 Broadway  
Winnipeg MB R3C 0R9  
Ph: 204.985.9440  
Toll-free: 1.855.777.3756  
Fax: 204.947.2976

## Amisk CLC

202 Main Street South  
Dauphin MB R7N 1K6  
Ph: 204.622.7000  
Toll-free: 1.800.810.6977  
Fax: 204.622.7029

## Agassiz CLC

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

## Riel CLC

410 - 330 Portage Avenue  
Winnipeg MB R3C 0C4  
Ph: 204.985.8555  
Toll-free: 1.855.777.3758  
Fax: 204.774.7504

## Northlands CLC

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

## 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

## Riverwood CLC

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

## Thompson CLC

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

## 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

## University of Manitoba Community Law Centre

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

## Westman CLC

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

## Phoenix CLC

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

## Willow CLC

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

## Public Interest Law Centre

200 - 393 Portage Avenue  
Winnipeg MB R3B 3H6  
Ph: 204.985.8540  
Toll-free: 1.800.261.2960  
Fax: 204.985.8544

## Winnipeg Application Centre

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



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