
Nova Scotia Legal Aid Commission

Financial Statements

For the Year Ended March 31, 2018

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Management's Report

The preparation and presentation of the financial statements is the responsibility of management of the Nova Scotia Legal Aid Commission (the "Commission"). These financial statements have been prepared in accordance with Canadian public sector accounting standards. These principles have been applied using management's best estimates and judgements that are considered appropriate to the Commission's circumstances. Management relies on actuarial reports to record the accrued obligations for long service awards and post-retirement benefits.

Management is responsible for the reliability and integrity of the financial statements, including the notes to the financial statements and other financial information contained in the annual report. Management is also responsible for maintaining books of account, information systems and an appropriate system of internal control. These internal controls are intended to provide reasonable assurance that accurate financial information is available, assets are safeguarded and controlled, resources are managed efficiently, and transactions are conducted in accordance with relevant legislation and regulations.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Finance Committee, on behalf of the Board, fulfills this responsibility. The Audit Finance Committee reviews matters related to accounting, auditing, internal control systems, and the financial statements.

The Auditor General of Nova Scotia, the independent auditor of the Commission appointed under the *Legal Aid Act*, has audited the Commission's financial statements in accordance with Canadian Auditing Standards. The independent auditor has full and unrestricted access to the Audit Finance Committee to discuss the audit and related findings.

The financial statements have been approved by the Board of Directors.

On behalf of Nova Scotia Legal Aid Commission:


Megan Longley, QC
Executive Director


Jennifer Cain, CRA, CA
Director of Finance

June 8, 2018



5161 George Street
Royal Centre, Suite 400
Halifax, Nova Scotia
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Auditor General of Nova Scotia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Nova Scotia Legal Aid Commission:

Report on the Financial Statements

I have audited the accompanying financial statements of the Nova Scotia Legal Aid Commission, which comprise the statement of financial position as at March 31, 2018, and the statement of operations and accumulated surplus, statement of change in net financial assets and statement of 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Nova Scotia Legal Aid Commission as at March 31, 2018, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Michael A. Pickup, CPA, CA
Auditor General of Nova Scotia

June 8, 2018
Halifax, Canada



Nova Scotia Legal Aid Commission
Statement of Financial Position
March 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 8,848,168	\$ 7,874,672
Accounts receivable	241,827	673,001
Accrued interest receivable	9,600	6,470
Due from Province of Nova Scotia (Notes 6 and 7)	<u>8,755,800</u>	<u>8,161,600</u>
	<u>17,855,395</u>	<u>16,715,743</u>
LIABILITIES		
Payables and accruals (Note 4 and Note 5)	4,385,670	3,745,295
Long service awards (Note 6)	2,548,500	2,353,900
Employee future benefits (Note 7)	<u>8,494,500</u>	<u>8,161,600</u>
	<u>15,428,670</u>	<u>14,260,795</u>
NET FINANCIAL ASSETS	<u>2,426,725</u>	<u>2,454,948</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 3)	28,169	65,727
Prepaid expenses	<u>121,351</u>	<u>110,948</u>
	<u>149,520</u>	<u>176,675</u>
ACCUMULATED SURPLUS	<u>\$ 2,576,245</u>	<u>\$ 2,631,623</u>

Contingencies and Contractual Obligations (Note 8)

See accompanying notes and schedules to the financial statements

On Behalf of the Board



 Director



 Director

Nova Scotia Legal Aid Commission
Statement of Operations and Accumulated Surplus
For the Year Ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Revenue			
Operating grants - Province of Nova Scotia	\$ 25,785,000	\$26,123,839	\$24,703,620
Employee future benefits grant - Province of Nova Scotia	500,000	332,900	533,500
Interest	60,000	105,378	78,858
Other income	<u>39,000</u>	<u>53,512</u>	<u>60,896</u>
	<u>26,384,000</u>	<u>26,615,629</u>	<u>25,376,874</u>
Expenses (Schedule 1)			
Amortization	38,000	37,558	43,013
Directors' fees	55,000	40,920	43,400
Duty counsel fees	175,500	176,465	205,500
Equipment and maintenance	410,000	422,585	139,853
Library	60,000	60,217	51,041
Memberships, meetings and conferences	513,000	498,845	410,248
Miscellaneous	76,500	76,500	76,500
Office disbursements	270,000	267,412	262,229
Private solicitors' fees	4,732,200	5,246,563	4,389,811
Professional and other fees	75,000	60,042	82,892
Salaries and benefits	18,217,300	17,828,618	17,883,548
Supplies and services	1,802,000	1,782,261	1,817,026
Travel	<u>185,000</u>	<u>173,021</u>	<u>186,136</u>
	<u>26,609,500</u>	<u>26,671,007</u>	<u>25,591,197</u>
Operating deficit before Federal Court Ordered Counsel	<u>(225,500)</u>	<u>(55,378)</u>	<u>(214,323)</u>
Federal Court Ordered Counsel recovery (Note 14)	-	-	11,627
Federal Court Ordered Counsel expense (Note 14)	<u>-</u>	<u>-</u>	<u>11,627</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Operating deficit	<u>\$ (225,500)</u>	(55,378)	(214,323)
Accumulated surplus, beginning of year		<u>2,631,623</u>	<u>2,845,946</u>
Accumulated surplus, end of year		<u>\$ 2,576,245</u>	<u>\$ 2,631,623</u>

See accompanying notes and schedules to the financial statements

Nova Scotia Legal Aid Commission
Statement of Change in Net Financial Assets
For the Year Ended March 31, 2018

	2018 Budget	2018 Actual	2017 Actual
Operating Deficit	\$ (225,500)	\$ (55,378)	\$ (214,323)
Amortization of tangible capital assets	38,000	37,558	43,013
Acquisition of prepaid expenses	(121,351)	(121,351)	(110,948)
Use of prepaid expenses	<u>110,948</u>	<u>110,948</u>	<u>120,083</u>
	<u>27,597</u>	<u>27,155</u>	<u>52,148</u>
Decrease in net financial assets	(197,903)	(28,223)	(162,175)
Net financial assets, beginning of year	<u>2,454,948</u>	<u>2,454,948</u>	<u>2,617,123</u>
Net financial assets, end of year	<u>\$ 2,257,045</u>	<u>\$ 2,426,725</u>	<u>\$ 2,454,948</u>

See accompanying notes and schedules to the financial statements

Nova Scotia Legal Aid Commission
Statement of Cash Flows
For the Year Ended March 31, 2018

	2018	2017
Operating Activities		
Deficiency of revenue over expenses	\$ (55,378)	\$ (214,323)
Amortization	<u>37,558</u>	<u>43,013</u>
	<u>(17,820)</u>	<u>(171,310)</u>
Changes in other items:		
Accounts receivable	431,174	(14,781)
Accrued interest receivable	(3,130)	(902)
Due from Department of Finance	(594,200)	(533,500)
Prepaid expense	(10,403)	9,135
Payables and accruals	640,375	(283,588)
Long Service Awards	194,600	(163,000)
Employee future benefits	<u>332,900</u>	<u>533,500</u>
	<u>991,316</u>	<u>(453,136)</u>
	<u>973,496</u>	<u>(624,446)</u>
Increase (decrease) in cash and cash equivalents during year	973,496	(624,446)
Cash and cash equivalents, beginning of year	<u>7,874,672</u>	<u>8,499,118</u>
Cash and cash equivalents, end of year	<u>\$ 8,848,168</u>	<u>\$ 7,874,672</u>

See accompanying notes and schedules to the financial statements

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018**

1. Authority

The Nova Scotia Legal Aid Commission was established in 1977 pursuant to the *Legal Aid Act*. The Act and Regulations stipulate that the Commission can provide legal services to persons whose income is derived primarily from municipal or provincial social assistance or to persons in an equivalent position. The Commission is tax exempt under the *Income Tax Act* (Canada).

Commission activities are funded by a grant from the Province of Nova Scotia. The Province in turn receives a contribution from the Government of Canada for legal aid provided by the Commission.

2. Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards, that for the purposes of the Commission's financial statements are represented by accounting recommendations of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

The Public Sector Accounting Board (PSAB) issued new accounting standards effective for fiscal years beginning on or after April 1, 2017.

The Commission adopted the new accounting standards for related party disclosures (PS 2200), inter-entity transactions (PS 3420), assets (PS 3210), contractual rights (PS 3380), and contingent assets (PS 3320). These new accounting standards only impact note disclosures. The adoption of PS 2200, PS 3420, PS 3210, PS 3380 and PS 3320 did not result in a significant impact in the disclosures included in the Commission's financial statements.

These financial statements are prepared using the following significant accounting policies:

(a) Cash and cash equivalents

Cash and cash equivalents consists of cash on hand and balances with banks, the majority of which is included in investments in high interest savings accounts, currently earning interest at a rate of 1.10% and 0.95%.

(b) Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization and are amortized on a straight-line basis over their estimated useful lives:

Computer equipment	3 years
Furniture and equipment	5 years
Leasehold improvements	Over term of lease

(c) Revenue Recognition

- i) Operating grants and other revenue are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that give rise to the revenues, when collection is reasonably assured.
- ii) Government transfers are recognized as revenue in the period in which the transfer is authorized and all eligibility criteria have been met, except when and to the extent the transfer includes stipulations that give rise to an obligation that meets the definition of a liability.

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018**

2. Accounting Policies (continued)

- iii) Annually, an authorized transfer from the Province of Nova Scotia totaling the year-over-year change in the Commission's accrued benefit liability relating to its employee future benefits is recognized as revenue.
- iv) Interest revenue is recognized as earned.

(d) Expense Recognition

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are recorded as an expense in that year.

(e) Measurement Uncertainty

The presentation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in the financial statements include accruals and expenses related to private solicitors' fees, employee future benefits and long service awards.

(f) Long Service Awards and Employee Future Benefits

Costs for employee future benefits other than pensions are accrued over the periods in which the employees render services in return for these benefits. These benefits are for long service awards and health and dental insurance programs. The Province of Nova Scotia covers the accrued benefit liability related to employee future health and dental benefits; therefore, a corresponding accounts receivable balance is recorded.

Actuarial gains and losses and assumption changes are amortized over the expected average remaining service life of active employees (10 years).

(g) Financial instruments

The Commission's financial instruments consist of investments in high interest savings accounts, accounts receivable, payables, and related accruals. The Commission measures its financial instruments at cost or amortized cost.

Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018

3. Tangible Capital Assets

	2018			2018	2017
	Computer Equipment	Furniture and Equipment	Leasehold Improvements	Net Book Value	Net Book Value
Cost					
Opening balance	\$ 29,054	\$ 171,552	\$ 129,237	\$ 329,843	\$ 329,843
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing balance	<u>29,054</u>	<u>171,552</u>	<u>129,237</u>	<u>329,843</u>	<u>329,843</u>
Accumulated amortization					
Opening balance	29,054	171,552	63,510	264,116	221,103
Amortization	-	-	37,558	37,558	43,013
Disposals	-	-	-	-	-
Closing balance	<u>29,054</u>	<u>171,552</u>	<u>101,068</u>	<u>301,674</u>	<u>264,116</u>
Net book value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,169</u>	<u>\$ 28,169</u>	<u>\$ 65,727</u>

4. Payables and Accruals

	2018	2017
Private solicitors' fees (Note 5)	\$ 3,656,588	\$ 3,075,893
Employee salaries and benefits	407,468	372,654
Supplies and services	<u>321,614</u>	<u>296,748</u>
	<u>\$ 4,385,670</u>	<u>\$ 3,745,295</u>

5. Private Solicitors' Fees

At the end of each fiscal year the Commission has a liability for work conducted by private solicitors that is not yet billed and paid. At March 31, 2018, a liability of \$3,656,588 (2017 - \$3,075,893) was recorded, of which \$3,211,061 (2017 - \$2,863,717) was estimated using a system that incorporates average costs and time frames for similar cases over the last two years. The estimate will vary from the actual billings from private solicitors due to the specific requirements of each case, and the difference between the estimate and the actual billing is adjusted through the Statement of Operations.

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018**

6. Long Service Awards

The Commission follows the provisions of the *Civil Service Act* with respect to the payment of long service awards. Employees of the Commission are entitled to long service awards upon retirement. The awards are based on the number of years of service of the employee, and are earned at the rate of one week's pay for every year of service, to a maximum of twenty six weeks.

The accrual of service under the long service award ceased April 1, 2015. Benefits payable under the long service award continue to be paid upon retirement based on the employee's salary at retirement.

During the year employees were provided with a one-time option to elect an immediate payment of their long service award entitlement. 102 employees elected to receive an immediate payment for a total of \$1,871,900 in payments expected to be paid in late June, early July 2018. The immediate payout triggers a settlement under the long service award and a net cost of \$261,300 has been reflected in Fiscal 2018 benefits expense due to the settlement. The net cost is being funded by the Province of Nova Scotia and is included in the receivable from Province of Nova Scotia.

An actuarial valuation was prepared for the fiscal year ended March 31, 2017 and extrapolated to the March 31, 2018 year end to determine the liability relating to the awards. The valuation was based on a number of assumptions about future events, such as inflation rates, wage and salary increases, and employee turnover. The assumptions used reflect the Commission's best estimates.

The Commission is responsible for the funding and eventual payment of these awards, and has internally restricted assets for this purpose. The assets are included in cash and accrued interest receivable. Based on the actuarial valuation of the accrued benefit obligation for long service awards at March 31, 2018, these assets are sufficient to fund the liability for long service awards.

The significant actuarial assumptions adopted in measuring the Commission's accrued benefit obligations for 2018 and 2017 are as follows:

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018**

6. Long Service Awards (continued)

	2018	2017
Components of Benefit Cost		
Past service cost	\$ 4,800	\$ -
Settlement cost	551,800	-
Amortization of actuarial gains	(340,800)	(10,800)
Interest cost	<u>68,800</u>	<u>93,300</u>
Benefit cost recognized	<u>\$ 284,600</u>	<u>\$ 82,500</u>
Change in Accrued Benefit Obligation		
Accrued benefit obligation at the end of the prior year	\$ 1,898,500	\$ 2,397,700
Past service cost	4,800	-
Settlement cost	551,800	-
Interest cost	68,800	93,300
Benefits paid	(90,000)	(245,500)
Actuarial (gain) loss	<u>20,900</u>	<u>(347,000)</u>
Accrued benefit obligation at the end of the year	<u>\$ 2,454,800</u>	<u>\$ 1,898,500</u>
Reconciliation of Funded Status to Accrued Benefit Liability		
Funded status at the end of year	\$ 2,454,800	\$ 1,898,500
Unamortized net actuarial gain	<u>93,700</u>	<u>455,400</u>
Accrued benefit liability	<u>\$ 2,548,500</u>	<u>\$ 2,353,900</u>
Weighted-Average Assumptions for Expense		
Discount rate	3.71%	4.10%
Salary increase	1% – 2.50 % plus merit & promotion	1% – 2.50% plus merit & promotion
Weighted-Average Assumptions for Disclosure		
Discount rate	3.42%	3.71%
Salary increase	1% - 2.50% plus merit & promotion	1% - 2.50% plus merit & promotion
Retirement Age occurs at age 59 (immediate if older than age 59)		

Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018

7. Employee Future Benefits

The Commission provides post-retirement health and dental benefits to its employees. The Commission pays 65% of the cost of the post-retirement health and dental programs. The Commission pays 100% of the premiums of employees on long-term disability. The Province of Nova Scotia covers the accrued benefit liability related to employee future health and dental benefits; therefore, a corresponding accounts receivable balance is recorded.

An actuarial valuation was prepared for the fiscal year ended March 31, 2017 and extrapolated to the March 31, 2018 year end. The valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wages and salary increases, and employee turnover and mortality. The assumptions used reflect the Commission's best estimates.

	2018	2017
Components of Benefit Cost		
Current service cost (employer portion)	\$ 351,400	\$ 363,100
Amortization of actuarial gains	(118,500)	5,600
Interest cost	<u>261,500</u>	<u>318,600</u>
Benefit cost recognized	<u>\$ 494,400</u>	<u>\$ 687,300</u>
Change in Accrued Benefit Obligation		
Accrued benefit obligation at the end of the prior year	\$ 6,953,900	\$ 7,666,800
Impact of program amendment	-	-
Current service cost (employer portion)	351,400	363,100
Interest cost	261,500	318,600
Benefits paid	(161,500)	(153,800)
Actuarial (gain) loss	<u>263,300</u>	<u>(1,240,800)</u>
Accrued benefit obligation at the end of the year	<u>\$ 7,668,600</u>	<u>\$ 6,953,900</u>
Reconciliation of Funded Status to Accrued Benefit Liability		
Funded status at the end of year	\$ 7,668,600	\$ 6,953,900
Unamortized net actuarial gain	<u>825,900</u>	<u>1,207,700</u>
Accrued benefit liability	<u>\$ 8,494,500</u>	<u>\$ 8,161,600</u>

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018**

7. Employee Future Benefits (continued)

	2018	2017
Weighted-Average Assumptions for Expense		
Discount rate	3.71%	4.10%
Initial medical care trend rate	6.33%	6.50%
Ultimate medical care trend rate	4.50%	4.50%
Year ultimate rate reached	2029	2028
Initial and ultimate dental care trend rate	4.50%	4.50%
Weighted-Average Assumptions for Disclosure		
Discount rate	3.42%	3.71%
Initial medical care trend rate	6.67%	6.33%
Ultimate medical care trend rate	4.50%	4.50%
Year ultimate rate reached	2032	2028
Initial and ultimate dental care trend rate	4.50%	4.50%

8. Contingencies and Contractual Obligations

- (a) The Commission is contractually obligated to see ongoing cases through to completion for clients being represented by private solicitors. The Commission uses a system that incorporates average costs and timeframes for similar cases over the prior two years to estimate the future cost related to these ongoing matters. This cost represents the future cost to complete these cases and is for services not yet performed by the private solicitors. The estimate for future case completion at March 31, 2018 is \$2,115,308 (March 31, 2017 - \$1,823,474).
- (b) Lease agreements for office space typically call for payment of a base rent plus a provision for the Commission's portion of operating costs and property taxes. Lease terms vary by office. The Commission also carries leases for office equipment.

Minimum lease payments for the next five fiscal years, not including taxes, are as follows:

2019	\$ 969,953
2020	\$ 641,797
2021	\$ 564,472
2022	\$ 326,943
2023	\$ 77,800

- (c) The Commission provides funding to Dalhousie Legal Aid Services. The Commission has agreed to provide a grant of \$69,000 to Dalhousie Legal Aid Services for the year ending March 31, 2019.
- (d) The Commission created a professional development pilot project during 2012-13 whereby each lawyer was allowed a set amount of dollars for professional development. The policy allows a carry-over of the amount for one additional fiscal year if not used. At March 31, 2018, a maximum amount of \$36,614 (2017 - \$34,427) was not used, and may be accessed for the ongoing professional development of lawyers during the 2018-2019 year. Any portion of this amount which is not used by March 31, 2019 will be forfeited. At this time, it is uncertain how much of the funds will be used by March 31, 2019.

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018**

9. Client Trust Funds Under Administration

On March 31, 2018, \$13,781 (2017 - \$6,806) was held in trust for clients. These trust funds are accounted for separately and are not reflected in the financial statements.

10. Pensions

Pursuant to Section 7 of the *Legal Aid Act*, all permanent employees of the Commission are entitled to receive pension benefits under the Nova Scotia Public Service Superannuation Plan (PSSP). Benefits paid upon retirement are based on an employee's length of service, rate of pay, and possible inflation adjustments. The plan is funded by equal employee and employer contributions. The employer contributions are included in the Commission's operating expenses in the amount of \$1,246,518 (2017 - \$1,253,195). The Commission is not responsible for any residual liability for the PSSP and therefore does not record PSSP assets or liabilities in these financial statements.

11. Financial Risk Management

The Commission recognizes the importance of managing risks and as a result, has in place policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Commission is exposed to through its financial instruments are credit risk, liquidity risk and market risk. There have been no changes compared to previous years with respect to the Commission's objectives, policies and processes for managing the risks described.

Credit Risk

Credit risk is the risk of loss resulting from failure of an individual or group to honour their financial obligations. The Commission's accounts receivable are due primarily from government organizations and reputable organizations. The Commission's cash and investments are held at Canadian chartered banks, and Canadian financial institutions, respectively. The Commission is not exposed to significant credit risk.

At year-end, there were no significant accounts receivable that were past due nor impaired.

Liquidity Risk

Liquidity risk is the risk that the Commission will not be able to meet its financial obligations as they fall due. The Commission's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flow to fund operations and settle liabilities when due.

Market Risk

Market risk comprises three types of risk: currency risk; interest rate risk; and, other price risk.

(a) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Commission is not exposed to significant currency risk.

(b) Interest Rate Risk

Interest rate risk is the risk that the Commission's investments will change in fair value due to future fluctuations in market interest rates. The fair value of the investments, and the income they generate, varies as market interest rates vary. All other financial instruments are non-interest bearing. The Commission mitigates this risk by monitoring interest rates.

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2018**

(c) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market prices (other than those arising from interest rate risk or currency risk). The Commission is not exposed to significant other price risk.

12. Economic Dependence

The Commission is economically dependent upon the ongoing and future funding from the Province of Nova Scotia.

13. Related Party Transactions

The Commission is related to all other departments, agencies, boards and commissions included in the Province of Nova Scotia's consolidated financial statements. Transactions related to the Departments of Finance and Treasury Board, and Justice, have been disclosed separately in these financial statements. All transactions have been entered into in the normal course of business.

Related parties also include key management personnel having the authority and responsibility for planning, directing and controlling the activities of the Commission. This includes the senior leadership team, and members of the Board of Directors and their close family members. Certain members of the Board of Directors provide legal aid services to clients of the Commission. These members billed the Commission \$66,312 (2017 - \$110,840) during the fiscal year. All transactions have been entered into in the normal course of business.

14. Federal Court Ordered Counsel

The *Criminal Code* makes provisions for people who have been denied legal aid in criminal cases to apply for state-funded counsel. In Federal cases where the judge orders the government to provide counsel, the Commission works with the Federal Government to manage the order of the court if granted. A contract is in place between the Federal Government and the Commission. The Commission is reimbursed for the costs associated with providing the court-ordered counsel. In addition, an administration fee of 15% is charged for managing the file and providing counsel. The administration fees are included in other income of the Commission. During the 2018 fiscal year there were no active cases with billings.

15. Budget

Budget figures are provided for comparison purposes and have been approved by the Commission's Board.

Nova Scotia Legal Aid Commission
Schedule 1 – Additional Expense Information
For the Year Ended March 31, 2018

	Budget 2018	Actual 2018	Actual 2017
Amortization	\$ 38,000	\$ 37,558	\$ 43,013
Directors' fees	55,000	40,920	43,400
Duty Counsel fees	175,500	176,465	205,500
Equipment and maintenance			
Leasehold improvements	10,000	3,963	2,321
Office furniture and equipment	315,000	328,010	59,627
Office machine leasing	35,000	31,984	26,841
Office machine maintenance	50,000	58,628	51,064
	<u>410,000</u>	<u>422,585</u>	<u>139,853</u>
Library	60,000	60,217	51,041
Memberships, meetings and conferences			
Membership and dues	370,000	370,936	335,820
Meetings and conferences	143,000	127,909	74,428
	<u>513,000</u>	<u>498,845</u>	<u>410,248</u>
Miscellaneous			
Grant – Dalhousie Legal Aid	69,000	69,000	69,000
Public information/legal education	7,500	7,500	7,500
	<u>76,500</u>	<u>76,500</u>	<u>76,500</u>
Office disbursements			
Family	95,000	115,048	112,524
Adult criminal	150,000	128,987	136,796
Social justice	15,000	5,984	5,802
Youth criminal	10,000	15,393	5,528
Court ordered counsel - Provincial	-	2,000	1,579
	<u>270,000</u>	<u>267,412</u>	<u>262,229</u>
Private solicitors' fees			
Civil and family – conflicts	2,174,000	2,146,317	1,964,545
Adult criminal – homicide	344,000	495,419	180,723
Adult criminal – conflicts	2,070,000	2,420,024	2,085,770
Youth criminal – homicide	30,000	5,534	10,544
Youth criminal – conflicts	114,200	179,269	148,229
	<u>4,732,200</u>	<u>5,246,563</u>	<u>4,389,811</u>
Professional and other fees			
Professional fees	45,000	47,836	45,051
Consultant fees	30,000	12,206	37,841
	<u>75,000</u>	<u>60,042</u>	<u>82,892</u>
Salaries and benefits			
Salaries and benefits	17,717,300	17,495,718	17,350,048
Employee future benefits	500,000	332,900	533,500
	<u>18,217,300</u>	<u>17,828,618</u>	<u>17,883,548</u>
Supplies and services			
General cleaning and office expense	65,000	68,051	67,521
Utilities	25,000	19,713	19,041
Printing and stationery	130,000	122,127	127,391
Rent, insurance and taxes	1,357,000	1,348,777	1,349,524
Communications	225,000	223,593	253,549
	<u>1,802,000</u>	<u>1,782,261</u>	<u>1,817,026</u>
Travel	185,000	173,021	186,136
	<u>\$ 26,609,500</u>	<u>\$ 26,671,007</u>	<u>\$ 25,591,197</u>

Nova Scotia Legal Aid Commission
Schedule 2 – Supplementary Compensation Information
For the Year Ended March 31, 2018

Under the *Public Sector Compensation Disclosure Act*, all organizations which are part of the Government Reporting Entity must disclose all compensation paid to any person that totals \$100,000 or more in the fiscal year. The following information is being disclosed in accordance with the Act.

Amoud, Antonios	102,070	Moores, Robert	140,000
Baker, David	134,378	Nolen, Peter	135,922
Beardon, Joshua	104,472	Patriquin, Kevin	136,283
Bevin, Lisa	105,216	Perry, Jill	139,116
Blackmore, Gordon	109,933	Persaud, Kishan	125,058
Burrill, Roger	146,215	Postlewaite, Gus	143,927
Cain, Jennifer	116,901	Queripel, Lonny	153,877
Chipman, Robert	150,601	Robertson, Stephen	150,961
Darrah, Matthew	121,987	Rolle, Brandon	101,972
Davison, Catherine	136,057	Rovers, Nicole	116,194
Dill, Matthew	103,288	Rowlett, Kelly	135,922
Endres, Karen	125,431	Sarson, Brad	150,601
Forbes, Krista	142,421	Seaman, Alfred	107,903
Gilmer, Lola	137,924	Seshagiri, Lee	107,200
Glasgow, Wakai	102,293	Snow, Amber	111,694
Greer, Kenneth	144,786	Stephens, Brian	140,000
Hillson, Stephanie	127,337	Stordy, Paul	150,601
Hounsell-Gray, Shelley	129,510	Sturmy, Tracey	117,739
Jones, Tanya	135,922	Thompson, Christa	107,903
Jones, Patricia	114,764	Vardigans, Brian	150,601
Judge, Murray	140,000	Whynot, Barry	156,097
Kasouf, Blair	120,483	Wohler, Tammy	123,914
Kirk, Andrew	105,118	Zayid, Samira	137,190
Kuna, Michael	135,922		
Lacey, Jill	135,922		
Levasseur, Claire	108,189		
Lloy, Douglas	136,282	<u>Private Lawyers</u>	
Longley, Megan	168,809	Craggs, Luke	106,010
MacAulay, Chrystal	117,338	MacIsaac, Gregory	101,550
MacDonald, Jennifer	104,193	Penny, Damian	101,209
MacKeen, Cameron	128,489	Planetta, Peter	185,020
MacLaughlin, Shawn	135,922	Stanwick, Alan	142,758
MacLeod, Darren	150,601		
MacNeil, Matthew	121,741		
Mahoney, David	149,718		
Mahoney, Nicole	121,912		
Mason, Shannon	128,809		
McDougall, Sheila	135,922		
Moore, Charlene	156,097		