
Nova Scotia Legal Aid Commission

Financial Statements

For the Year Ended March 31, 2017

CONTENTS

	Page
Management's Report	3
Independent Auditor's Report	4
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Schedule 1 – Additional Expenditure Information	18
Schedule 2 - Supplementary Compensation Information	19

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.

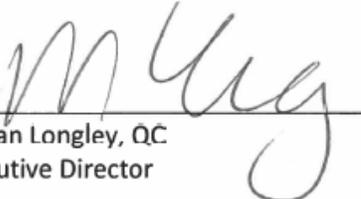
Management is responsible for the reliability and integrity of the financial statements, including the notes to the financial statements and other financial information contained in the annual report. Management is also responsible for maintaining books of account, information systems and an appropriate 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.

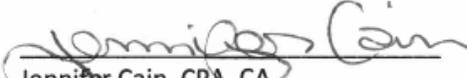
The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Audit Finance Committee, on behalf of the Board, fulfills this responsibility. The Audit Finance Committee reviews matters related to accounting, auditing,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

June 2, 2017



5161 George Street
Royal Centre, Suite 400
Halifax, Nova Scotia
B3J 1M7

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, 2017, 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, 2017, 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 2, 2017
Halifax, Canada



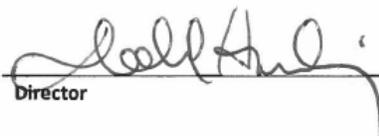
Nova Scotia Legal Aid Commission
Statement of Financial Position
March 31, 2017

	2017	2016
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 7,874,672	\$ 8,499,118
Accounts receivable	673,001	658,220
Accrued interest receivable	6,470	5,568
Due from Province of Nova Scotia (Note 2 (e))	<u>8,161,600</u>	<u>7,628,100</u>
	<u>16,715,743</u>	<u>16,791,006</u>
LIABILITIES		
Payables and accruals (Note 4 and Note 5)	3,745,295	4,028,883
Long service awards (Note 6)	2,353,900	2,516,900
Employee future benefits (Note 2 (e) and Note 7)	<u>8,161,600</u>	<u>7,628,100</u>
	<u>14,260,795</u>	<u>14,173,883</u>
NET FINANCIAL ASSETS	<u>2,454,948</u>	<u>2,617,123</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 2 (b) and Note 3)	65,727	108,740
Prepaid expenses	<u>110,948</u>	<u>120,083</u>
	<u>176,675</u>	<u>228,823</u>
ACCUMULATED SURPLUS	<u>\$ 2,631,623</u>	<u>\$ 2,845,946</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, 2017

	2017 Budget	2017 Actual	2016 Actual
Revenue			
Operating grants - Province of Nova Scotia	\$ 24,415,000	\$24,703,620	\$ 24,415,000
Employee future benefits grant - Province of Nova Scotia	650,000	533,500	545,800
Interest	75,000	78,858	91,618
Other income	<u>50,000</u>	<u>60,896</u>	<u>155,331</u>
	<u>25,190,000</u>	<u>25,376,874</u>	<u>25,207,749</u>
Expenses (Schedule 1)			
Amortization	43,000	43,013	19,073
Directors' fees	55,000	43,400	47,925
Duty counsel fees	152,500	205,500	181,642
Equipment and maintenance	170,000	139,853	149,793
Library	75,000	51,041	62,174
Memberships, meetings and conferences	451,500	410,248	406,443
Miscellaneous	76,500	76,500	76,500
Office disbursements	272,000	262,229	278,687
Private solicitors' fees (Note 5)	4,732,200	4,389,811	5,219,094
Professional and other fees	75,000	82,892	87,953
Salaries and benefits	18,201,300	17,883,548	18,389,758
Supplies and services	1,772,000	1,817,026	1,738,201
Travel	<u>185,000</u>	<u>186,136</u>	<u>183,164</u>
	<u>26,261,000</u>	<u>25,591,197</u>	<u>26,840,407</u>
Operating deficit before Federal Court Ordered Counsel	<u>(1,071,000)</u>	<u>(214,323)</u>	<u>(1,632,658)</u>
Federal Court Ordered Counsel recovery (Note 14)	-	11,627	369,079
Federal Court Ordered Counsel expense (Note 14)	<u>-</u>	<u>11,627</u>	<u>369,079</u>
	<u>-</u>	<u>-</u>	<u>-</u>
Operating deficit	<u>\$ (1,071,000)</u>	(214,323)	(1,632,658)
Accumulated surplus, beginning of year		<u>2,845,946</u>	<u>4,478,604</u>
Accumulated surplus, end of year		<u>\$ 2,631,623</u>	<u>\$ 2,845,946</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, 2017

	2017 Budget	2017 Actual	2016 Actual
Operating Deficit	\$ (1,071,000)	\$ (214,323)	\$ (1,632,658)
Acquisition of tangible capital assets	-	-	(112,675)
Amortization of tangible capital assets	43,000	43,013	19,073
Acquisition of prepaid assets	(110,948)	(110,948)	(120,083)
Use of prepaid assets	<u>120,083</u>	<u>120,083</u>	<u>100,048</u>
	<u>52,135</u>	<u>52,148</u>	<u>(113,637)</u>
Decrease in net financial assets	(1,018,865)	(162,175)	(1,746,295)
Net financial assets, beginning of year	<u>2,617,123</u>	<u>2,617,123</u>	<u>4,363,418</u>
Net financial assets, end of year	<u>\$ 1,598,258</u>	<u>\$ 2,454,948</u>	<u>\$ 2,617,123</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, 2017

	2017	2016
Operating Activities		
Deficiency of revenue over expenses	\$ (214,323)	\$ (1,632,658)
Amortization	<u>43,013</u>	<u>19,073</u>
	<u>(171,310)</u>	<u>(1,613,585)</u>
Changes in other items:		
Accounts receivable	(14,781)	(97,009)
Accrued interest receivable	(902)	3,467
Due from Department of Finance	(533,500)	(545,800)
Prepaid expense	9,135	(20,035)
Payables and accruals	(283,588)	116,832
Long Service Awards	(163,000)	147,200
Employee future benefits	<u>533,500</u>	<u>545,800</u>
	<u>(453,136)</u>	<u>150,455</u>
	<u>(624,446)</u>	<u>(1,463,130)</u>
Capital Activities		
Acquisition of tangible capital assets	<u>-</u>	<u>(112,675)</u>
	<u>-</u>	<u>(112,675)</u>
Decrease in cash and cash equivalents during year	(624,446)	(1,575,805)
Cash and cash equivalents, beginning of year	<u>8,499,118</u>	<u>10,074,923</u>
Cash and cash equivalents, end of year	<u>\$ 7,874,672</u>	<u>\$ 8,499,118</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, 2017**

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).

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

(a) Cash and cash equivalents

Cash consists of cash on hand and balances with banks, the majority of which is included in high interest savings accounts, currently earning interest at a rate of 0.75% and 0.60%.

(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.
- 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.

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2017**

2. Accounting Policies (continued)

(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

The Commission adopted the method of accounting for employee future benefits required by PSAB Section 3250, effective April 1, 2012. 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 post-retirement 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, 2017

3. Tangible Capital Assets

	2017			2016	
	Computer Equipment	Furniture and Equipment	Leasehold Improvements	Net Book Value	Net Book Value
Cost					
Opening balance	\$ 29,054	\$ 171,552	\$ 129,237	\$ 329,843	\$ 291,768
Additions	-	-	-	-	112,675
Disposals	-	-	-	-	(74,600)
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	23,599	171,552	25,952	221,103	276,630
Amortization	5,455	-	37,558	43,013	19,073
Disposals	-	-	-	-	(74,600)
Closing balance	<u>29,054</u>	<u>171,552</u>	<u>63,510</u>	<u>264,116</u>	<u>221,103</u>
Net book value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,727</u>	<u>\$ 65,727</u>	<u>\$ 108,740</u>

4. Payables and Accruals

	2017	2016
Private solicitors' fees (Note 5)	\$ 3,075,893	\$ 3,295,064
Employee salaries and benefits	372,654	305,927
Supplies and services	<u>296,748</u>	<u>427,892</u>
	<u>\$ 3,745,295</u>	<u>\$ 4,028,883</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, 2017, a liability of \$3,075,893 (2016 - \$3,295,064) was recorded, of which \$2,863,717 (2016 - \$2,920,608) 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, 2017**

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. The cessation of future service accruals triggered a curtailment under PS 3250. As such, a net cost of \$474,400 was reflected in 2016 due to the curtailment, which included an actuarial loss due to the change in attribution period of \$220,500 and the recognition of unamortized losses of \$253,900.

An actuarial valuation was prepared for the fiscal year ended March 31, 2017 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, 2017, 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 2017 and 2016 are as follows:

Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2017

6. Long Service Awards (continued)

	2017	2016
Components of Benefit Cost		
Impact of curtailment	\$ -	\$ 474,400
Current service cost (employer portion)	-	-
Amortization of actuarial gains	(10,800)	-
Interest cost	<u>93,300</u>	<u>107,700</u>
Benefit cost recognized	<u>\$ 82,500</u>	<u>\$ 582,100</u>
Change in Accrued Benefit Obligation		
Accrued benefit obligation at the end of the prior year	\$ 2,397,700	\$ 2,623,600
Impact of curtailment	-	220,500
Current service cost (employer portion)	-	-
Interest cost	93,300	107,700
Benefits paid	(245,500)	(434,900)
Actuarial (gain) loss	<u>(347,000)</u>	<u>(119,200)</u>
Accrued benefit obligation at the end of the year	<u>\$ 1,898,500</u>	<u>\$ 2,397,700</u>
Reconciliation of Funded Status to Accrued Benefit Liability		
Funded status at the end of year	\$ (1,898,500)	\$ (2,397,700)
Unamortized net actuarial (gain) loss	<u>(455,400)</u>	<u>(119,200)</u>
Accrued benefit liability	<u>\$ (2,353,900)</u>	<u>\$ (2,516,900)</u>
Weighted-Average Assumptions for Expense		
Discount rate	4.10%	4.10%
Salary increase	1% – 2.50% plus merit & promotion	0% - 2.50% plus merit & promotion
Weighted-Average Assumptions for Disclosure		
Discount rate	3.71%	4.10%
Salary increase	1% - 2.50% plus merit & promotion	0% - 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, 2017

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.

Effective June 1, 2015, the portion of retiree health and dental costs paid by the employer was reduced from 70% to 65% in respect of both current and future retirees. This change resulted in a past service credit of \$553,500 as of the beginning of the 2016 fiscal year. In accordance with PS 3250, unamortized losses of \$553,500 were immediately recognized in fiscal 2016, which completely offset the past service credit.

An actuarial valuation was prepared for the fiscal year ended March 31, 2017. 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.

	2017	2016
Components of Benefit Cost		
Current service cost (employer portion)	\$ 363,100	\$ 356,000
Amortization of actuarial gains	5,600	22,800
Interest cost	<u>318,600</u>	<u>305,100</u>
Benefit cost recognized	<u>\$ 687,300</u>	<u>\$ 683,900</u>
Change in Accrued Benefit Obligation		
Accrued benefit obligation at the end of the prior year	\$ 7,666,800	\$ 7,886,300
Impact of program amendment	-	(553,500)
Current service cost (employer portion)	363,100	356,000
Interest cost	318,600	305,100
Benefits paid	(153,800)	(138,100)
Actuarial (gain) loss	<u>(1,240,800)</u>	<u>(189,000)</u>
Accrued benefit obligation at the end of the year	<u>\$ 6,953,900</u>	<u>\$ 7,666,800</u>
Reconciliation of Funded Status to Accrued Benefit Liability		
Funded status at the end of year	\$ (6,953,900)	\$ (7,666,800)
Unamortized net actuarial (gain) loss	<u>(1,207,700)</u>	<u>38,700</u>
Accrued benefit liability	<u>\$ (8,161,600)</u>	<u>\$ (7,628,100)</u>

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2017**

7. Post-Retirement Benefits (continued)

	2017	2016
Weighted-Average Assumptions for Expense		
Discount rate	4.10%	4.10%
Initial medical care trend rate	6.50%	6.50%
Ultimate medical care trend rate	4.50%	4.50%
Year ultimate rate reached	2028	2028
Initial and ultimate dental care trend rate	4.50%	4.50%
Weighted-Average Assumptions for Disclosure		
Discount rate	3.71%	4.10%
Initial medical care trend rate	6.33%	6.67%
Ultimate medical care trend rate	4.50%	4.50%
Year ultimate rate reached	2028	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, 2017 is \$1,823,474 (March 31, 2016 - \$1,350,524).
- (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:

2018	\$ 1,116,566
2019	\$ 859,061
2020	\$ 512,590
2021	\$ 434,975
2022	\$ 105,431

- (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, 2018.
- (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, 2017, a maximum amount of \$34,427 (2016 - \$33,311) was not used, and may be accessed for the ongoing professional development of lawyers during the 2017-2018 year. Any portion of this amount which is not used by March 31, 2018 will be forfeited. At this time, it is uncertain how much of the funds will be used by March 31, 2018.

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2017**

9. Client Trust Funds

On March 31, 2017, \$6,806 (2016 - \$35,810) 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 \$1,253,195 (2016 - \$1,227,110). 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 are exposed to through its financial instruments are credit risk, liquidity risk and market risk.

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 and 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.

(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.

**Nova Scotia Legal Aid Commission
Notes to the Financial Statements
For the Year Ended March 31, 2017**

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. Certain members of the Board of Directors provide legal aid services to clients of the Commission. These members billed the Commission \$110,840 (2016 - \$100,317) 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.

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 Expenditure Information
For the Year Ended March 31, 2017

	Budget 2017	Actual 2017	Actual 2016
Amortization	\$ 43,000	\$ 43,013	\$ 19,073
Directors' fees	55,000	43,400	47,925
Duty Counsel fees	152,500	205,500	181,642
Equipment and maintenance			
Leasehold improvements	20,000	2,321	3,668
Office furniture and equipment	75,000	59,627	67,082
Office machine leasing	35,000	26,841	28,976
Office machine maintenance	40,000	51,064	50,067
	<u>170,000</u>	<u>139,853</u>	<u>149,793</u>
Library	75,000	51,041	62,174
Memberships, meetings and conferences			
Membership and dues	323,500	335,820	314,037
Meetings and conferences	128,000	74,428	92,406
	<u>451,500</u>	<u>410,248</u>	<u>406,443</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	105,000	112,524	127,757
Adult criminal	150,000	136,796	131,329
Social justice	5,000	5,802	5,590
Youth criminal	12,000	5,528	11,890
Court ordered counsel - Provincial	-	1,579	2,121
	<u>272,000</u>	<u>262,229</u>	<u>278,687</u>
Private solicitors' fees			
Civil and family – conflicts	2,214,000	1,964,545	2,454,260
Adult criminal – homicide	324,000	180,723	360,886
Adult criminal – conflicts	2,070,000	2,085,770	2,272,454
Youth criminal – homicide	10,000	10,544	-
Youth criminal – conflicts	114,200	148,229	131,494
	<u>4,732,200</u>	<u>4,389,811</u>	<u>5,219,094</u>
Professional and other fees			
Professional fees	45,000	45,051	48,048
Consultant fees	30,000	37,841	39,905
	<u>75,000</u>	<u>82,892</u>	<u>87,953</u>
Salaries and benefits			
Salaries and benefits	17,551,300	17,350,048	17,843,958
Employee future benefits	650,000	533,500	545,800
	<u>18,201,300</u>	<u>17,883,548</u>	<u>18,389,758</u>
Supplies and services			
General cleaning and office expense	65,000	67,521	69,252
Utilities	25,000	19,041	19,484
Printing and stationery	130,000	127,391	118,540
Rent, insurance and taxes	1,327,000	1,349,524	1,310,127
Communications	225,000	253,549	220,798
	<u>1,772,000</u>	<u>1,817,026</u>	<u>1,738,201</u>
Travel	185,000	186,136	183,164
	<u>\$ 26,261,000</u>	<u>\$ 25,591,197</u>	<u>\$ 26,840,407</u>

Nova Scotia Legal Aid Commission
Schedule 2 – Supplementary Compensation Information
For the Year Ended March 31, 2017

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.

Baker, David	133,189	Moores, Robert	138,613
Benton, Catherine	119,792	Moreau, Samuel	138,973
Blackmore, Gordon	103,891	Morrison, Cheryl	134,576
Brinton, Rickcola	130,092	Murray, Cindy	149,110
Burrill, Roger	144,767	Nolen, Peter	134,576
Cain, Jennifer	103,796	Patriquin, Kevin	134,936
Calderhead, Vincent	144,767	Perry, Jill	134,240
Cameron, Joseph	121,644	Persaud, Kishan	114,099
Campbell, Nicole	113,998	Postlewaite, Gussie	139,106
Chipman, Robert	145,806	Queripel, Lonny	156,345
Cox, Jennifer	131,066	Robertson, Stephen	148,887
Darrah, Matthew	117,385	Rovers, Nicole	110,925
Davison, Catherine	134,392	Rowlett, Kelly	134,576
Endres, Karen	120,896	Sarson, Brad	146,194
Forbes, Krista	138,973	Seaman, Alfred	103,183
Gilmer, Lola	134,576	Seshagiri, Lee	101,374
Greer, Kenneth	141,143	Snow, Amber	106,940
Hillson, Stephanie	122,577	Stephens, Brian	138,613
Hounsell-Gray, Shelley	138,613	Stordy, Paul	149,110
Jones, Patricia	110,471	Sturmy, Tracey	111,158
Jones, Tanya	134,052	Thompson, Christa	103,438
Judge, Murray	138,613	Vardigans, Brian	149,110
Kasouf, Blair	115,978	Whynot, Barry	154,552
Kirk, Andrew	100,138	Wohler, Tammy	119,290
Kuna, Michael	134,576	Zayid, Samira	134,576
Lacey, Jill	134,576		
Levasseur, Claire	103,721		
Lloy, Douglas	134,936		
Longley, Megan	158,318		
MacAulay, Chrystal	112,779		
MacKeen, Cameron	123,819		
MacLaughlin, Shawn	134,576		
MacLeod, Darren	148,527		
MacNeil, Matthew	117,037		
Mahoney, David	144,737		
Mahoney, Nicole	117,308		
Mason, Shannon	124,035		
McDougall, Sheila	134,576		
Moore, Charlene	136,888		

Nova Scotia Legal Aid Commission
Schedule 2 – Supplementary Compensation Information
For the Year Ended March 31, 2017

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.

Private Lawyers

Craggs, Luke	131,459	
MacEwen, Patrick	102,242	
Morrow, Coline	106,452	
Planetta, Peter	163,489	