

Legal Aid BC

2020/21
Annual Service Plan Report

August 2021



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Board Chair's Accountability Statement



The *Legal Aid BC 2020/21 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2020/21 – 2022/23 Service Plan* created in February 2020. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Karen Christiansen', with a small dot at the end.

Karen Christiansen, FCPA, FCA
Chair, LABC Board of Directors
July 23, 2021

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Letter from the Board Chair & CEO

We are pleased to present Legal Aid BC's (LABC) 2020/21 Annual Service Plan Report summarizing our efforts to advance our Service Plan goals and in support of the government's [Mandate Letter](#) dated December 2019.

In 2020/21, much of our work focussed on ensuring British Columbians could access legal aid services during the COVID-19 pandemic. We were acutely aware that the pandemic would have a greater impact on individuals like our clients, who were at greater risk of exposure to the virus and may also have difficulty accessing virtual services.

We quickly adapted our service delivery methods to ensure clients still received legal aid while keeping staff, services, and clients safe. People could apply for legal aid not only by phone, but via lawyers and community agencies who partnered with us to take applications electronically on our behalf. The Parents Legal Centres (PLCs) for early resolution of child protection matters were also re-opened in fall 2020 to provide in-person services by appointment only.

We enhanced public legal information on our websites, increased availability of online and phone advice services, and provided technical and educational support to lawyers who had to quickly adapt to virtual service delivery, such as virtual bail.

LABC also increased family law coverage by retooling its limited representation service to better meet the needs of clients during the pandemic, which saw a rise in family problems. The service provided legal assistance for a broader range of family law issues than covered under our standard representation service, and financial eligibility was temporarily loosened to facilitate access to legal assistance when courthouses were closed and it was difficult to connect clients with duty counsel services.

We worked with the Provincial Court and Ministry of Attorney General (MAG) to ensure the Provincial Court Family Rules were successfully implemented at the Surrey courthouse. Duty counsel was critical during this time, and ensured our clients received the advice services they needed to participate in the new early resolution model.

In addition, we worked closely with the BC First Nations Justice Council (FNJC) and MAG, enabling the smooth transfer of responsibility for Gladue reports to the FNJC.

We recognize that LABC employees faced many challenges working in a remote environment over the past year and appreciate how well they adapted to supporting the function of the organization and by continuing to serve so many clients in need of help. We also became stronger as a justice community by working together with a shared goal that British Columbians would not be left without recourse when faced with legal issues.

Likewise, the LABC Board was exceptionally diligent in addressing matters arising out of an uncertain year.

Finally, we would like to thank the Attorney General and ministry staff for its close collaboration with us during a difficult time. We appreciate their ongoing commitment to legal aid, which allowed us to help so many low-income people with their legal problems during the pandemic.

Karen Christiansen, FCPA, FCA



Chair, LABC Board of Directors
July 23, 2021

Mark Benton, QC



Chief Executive Officer, LABC
July 23, 2021

Purpose of the Annual Service Plan Report

The Annual Service Plan Report is designed to meet the requirements of the [Budget Transparency and Accountability Act](#) (BTAA), which sets out the legislative framework for planning, reporting and accountability for Government organizations. Under the BTAA, the Crown Corporation's Board is required to report on the actual results of the Crown's performance related to the forecasted targets documented in the previous year's Service Plan.

Purpose of the Organization

Created by the [Legal Services Society Act](#) in 1979, Legal Aid BC (LABC) is a non-profit organization that is a separate legal entity from government (see [Our Mandate](#)). Our priority is to serve the interests of people with low incomes. LABC is funded primarily by the provincial government and receives grants from the Law Foundation of British Columbia and Notary Foundation of British Columbia.

Legal representation services are available for financially eligible people with serious family, child protection, or criminal law problems. Legal representation is also available for people who face a refugee or deportation hearing, a Mental Health Review Panel or BC Review Board hearing, or who have a prison issue for which the Charter of Rights and Freedoms establishes a right to counsel. LABC also helps clients get early legal assistance and engage collaboratively to resolve their child protection issues through ten PLCs across BC.

LABC provides legal advice services through criminal and family duty counsel in and out of courthouses across BC, immigration duty counsel for people in detention at the Canada Border Services Agency's enforcement centre in Vancouver, the Family LawLINE, and the Brydges Line telephone service for people who may be or have been arrested. LABC also provides family advice lawyers at various locations to support the work of the MAG's family justice counsellors, who are trained to help people with family law matters resolve issues about guardianship, parenting arrangements, contact and support.

Public legal education and information (PLEI) is integral to our services. PLEI includes legal information, triage, and community referrals. Legal information and outreach services are delivered by intake workers, legal information outreach workers (LIOWs), Aboriginal community legal workers (ACLWs), local agents, and community partners. We provide information through our LABC website, Family Law in BC website, Aboriginal Legal Aid in BC website, and MyLawBC website. We provide legal education through training workshops, conferences, and webinars, and produce a wide range of publications in various languages, that readers can order at no cost. We reach hundreds of intermediaries and advocates each year so that they are better able to help people with low incomes solve their legal issues.

Our network of regional offices, PLCs, local agents, and community partners works to ensure access to legal aid and other justice services throughout BC. We take legal aid applications at more than 50 locations throughout BC, referring eligible clients to lawyers in compliance with coverage and eligibility policies and guidelines.

Strategic Direction

The strategic direction set by Government in 2017, and expanded upon in the Board Chair's [2020 Mandate Letter](#) from the Minister Responsible, shaped the goals, objectives, performance measures and financial plan outlined in the [2020/21 Legal Aid BC Service Plan](#) and actual results reported on in this annual report.

The global COVID-19 pandemic resulted in many shifts in priorities, structures and operations across the public sector. Any changes to Legal Aid BC's goals, objectives, performance measures or financial plan to align with the strategic direction established by Government in late 2020 are presented in the 2021/22 Service Plan.

Operating Environment

The COVID-19 pandemic had sudden and significant impacts on the operation of the justice system and access to justice, and those impacts continued throughout the 2020/21 fiscal year as public health orders were implemented and revised in response to evolving circumstances. Responding to the pandemic required significant changes to legal aid operations and services to ensure continued support for our clients.

Internally, LABC transitioned almost all staff to working remotely and developed a policy framework to support working from home during and post-pandemic. LABC conducted a review of its business systems, processes, policies and practices to support a new Flexible Workplace Model, and identified ways to increase the efficiency and effectiveness of how we provide services to our clients and our staff.

The pandemic also had significant impact on how our courts and justice system partners operate, which required focused direction, strong alignment and ongoing engagement between LABC, tariff lawyers, other public sector organizations and the Government of British Columbia.

With the closure of courthouses across the province, in-person legal advice services provided by LABC criminal and family law duty counsel could not continue. LABC adapted public-facing services to offer remote service options, expanded digital services, provided timely public legal information and raised awareness of how legal aid could help during the pandemic. As the courts transitioned to virtual court proceedings, LABC changed the way it provides legal advice services for self-represented litigants and collaborated with community partners across the province to help our clients access legal aid virtually. After the initial lockdown period, LABC PLCs re-opened and provided limited in-person client services, where required, adhering to all safety plans.

The transition to virtual court proceedings included a cross-sector reworking of bail procedures and a major review of in-custody duty counsel services. Planning for the implementation of virtual bail hearings in region 5 (the North) began in January 2021 and LABC was a key participant with other justice system stakeholders in implementing bail procedures that ensure appropriate services and effective representation of clients are maintained.

This year the FNJC, MAG and LABC took steps to begin implementation of the 2020 BC First Nations Justice Strategy. The strategy, developed by the FNJC and First Nations communities and endorsed by the Province of BC, mandates actions to reform the current justice system and restore

First Nations legal traditions and structures. Under the strategy, LABC transitioned Gladue services to the FNJC at the end of the 2020/21 fiscal year.

Report on Performance: Goals, Objectives, Measures and Targets

Goal 1: LABC advances reconciliation with Indigenous people by improving access to justice

This goal articulates our aim to improve Indigenous access to justice. We can achieve this outcome through our work with Indigenous people, the ministry, and other stakeholders. In 2018/19, LABC launched a new Indigenous Services Division to lead the organization in this work, which includes advancing the justice provisions of the TRC Calls to Action, the UN Declaration on the Rights of Indigenous Peoples, and Grand Chief Ed John's report on child welfare.

Objective 1.1: Ensure the cultural competence of staff and service providers

Key Highlights

- Hosted National Aboriginal History Month Lunch and Learn (virtual) sessions, and an online cedar weaving workshop (two-part workshop, offered twice to two cohorts).
- Provided two training sessions on *Diversity and Inclusion – Unconscious Bias* at the 2020/21 Intake Conference, which was attended by LABC staff and service providers. Both sessions included content relating to Indigenous people.
- Provided bursaries for tariff lawyers to attend the following conferences: Pacific Business & Law Institute's Indigenous Child Welfare Conference, Continuing Legal Education Society of British Columbia's (CLEBC's) Wrapping Our Ways: Indigenous Child Welfare Conference, and CLEBC's Aboriginal Law Conference 2020.

Performance Measure(s)	2017/18 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.1a Percent of Indigenous clients who say they received culturally appropriate legal aid services ¹	67% ²	— ³	— ⁴	54% ⁵	70% ⁶	— ⁷

¹ Data Source: Biennial LABC Client Survey

² This performance measure was introduced in the 2018/19 – 2020/21 Service Plan, and LABC set the baseline for this measure by using the result from the client survey in 2017/18.

³ Client survey was ready to be sent out in March 2020, but due to the COVID-19 lockdown, LABC decided to postpone the survey to 2020/21.

⁴ In the 2020/21 – 2022/23 Service Plan, there was no target for 2020/21 because the biennial client survey was scheduled for 2019/20. In the 2020/21 – 2022/23 Service Plan, the 2019/20 Forecast was 69%.

⁵ Due to COVID-19 changes in service delivery, LABC was unable to sample family duty counsel clients; this may affect comparability of results from 2020/21 with results from previous years.

⁶ This target was set when the biennial client survey was scheduled for 2019/20 and 2021/22.

⁷ LABC has set a 2022/23 Target in the [2021/22 – 2023/24 Service Plan](#).

Discussion of Results

LABC identifies specialized training for staff and service providers as a key strategy to achieving this objective. LABC believes that Indigenous clients can provide the most meaningful assessment of whether our services are culturally appropriate. In 2020/21, LABC sought direct feedback from

1,051 clients on their experience of our services, through an online survey (1,015 clients) and by phone (36 clients).

54% of Indigenous clients strongly agreed (41%) or agreed (13%) that Legal Aid provided them with services that were appropriate for their cultural values and beliefs. In addition, 75% of Indigenous clients strongly agreed (59%) or agreed (16%) that they were treated in an unbiased and non-discriminatory way. Among the 19% of Indigenous clients who disagreed that LABC provided culturally appropriate services, 65% of those respondents suggested that LABC could better address cultures/beliefs by providing services in different languages or in different ways appropriate for that culture. These results point to the continued need for identifying ways LABC can enhance the cultural appropriateness of our services for Indigenous clients.

Objective 1.2: Increase the accessibility and quality of legal aid services for Indigenous people

Key Highlights

- PLCs engaged with Indigenous organizations to determine the need for PLC services in their community. As a result of those meetings, LABC entered into agreements with 26 organizations across the province to set up network locations (virtual community clinics) that will enable clients to access PLC services through new technology funded by LABC. Most of the clinics are affiliated with Indigenous services or agencies.
- Coordinated 215 Gladue reports and completed the Gladue report writer mentorship program with 24 Gladue writers receiving mentorship.
- Completed and published [Guide for the Legal Review of Gladue Reports](#) (February 2021) and [Best Practices for Writing Gladue Reports and Understanding Gladue Principles](#) (March 2021).
- Started an Indigenous Legal Needs Assessment focussed on finding meaningful ways to reduce the overrepresentation of Indigenous women in the criminal justice system as both accused and victims.

Performance Measure(s)	2017/18 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.2a Percent of Indigenous clients who say legal aid met their needs overall ¹	76% ²	— ³	— ⁴	67% ⁵	78% ⁶	— ⁷

¹ Data Source: Biennial LABC Client Survey

² In the [2021/22 – 2023/24 Service Plan](#), LABC modified this performance measure and restated the 2017/18 Baseline.

³ Client survey was ready to be sent out in March 2020, but due to the COVID-19 lockdown, LABC decided to postpone the survey to 2020/21.

⁴ In the 2020/21 – 2022/23 Service Plan, there was no target for 2020/21 because the biennial client survey was scheduled for 2019/20. In the 2020/21 – 2022/23 Service Plan, the 2019/20 Forecast was 78%, which was set in relation to the 2017/18 Baseline (76%) and the tracking methodology in place at that time.

⁵ Due to COVID-19 changes in service delivery, LABC was unable to sample family duty counsel clients; this may affect comparability of results from 2020/21 with results from previous years.

⁶ This target was set when the biennial client survey was scheduled for 2019/20 and 2021/22.

⁷ LABC has set a 2022/23 Target in the [2021/22 – 2023/24 Service Plan](#).

Discussion of Results

LABC identifies Indigenous people's access to high quality legal aid services as an essential component of access to justice. We believe Indigenous clients can provide the most meaningful assessment of whether our services are accessible to them and meet their legal needs. The COVID-19 pandemic and resulting public health orders had a significant impact on the accessibility of legal aid services; with the closure of courthouses and service locations across the province, in-person services ceased. The justice system had to adapt and shift to remote service delivery.

The 2020/21 result of 67% shows that Indigenous clients say LABC services are meeting their legal needs at a comparable or higher rate than all clients, as reported in Performance Measure 2.2a. This result also shows a slight increase over the restated 2017/18 baseline of 63%. The baseline was restated in the [2021/22 – 2023/24 Service Plan](#) so that results on this measure are presented in the same way as Performance Measure 2.2a, for consistency and comparability. The 2020/21 result for Performance Measure 1.2a (67%) reports on the top two scores (4 and 5 on a 5-point scale, with 5 being “strongly agree”), rather than the top 3 scores which are included in the 2017/18 baseline of 76%.

Objective 1.3: Increase LABC's engagement with Indigenous people and communities to improve their access to justice

Key Highlights

- Shifted to virtual engagement due to pandemic restrictions on in-person meetings and gatherings.
- PLC staff participated in 693 engagement activities with Indigenous communities. PLCs held virtual open houses, enabling the community to “come into” the PLCs and meet staff, despite the pandemic restrictions. PLCs also continued to stay connected to surrounding Indigenous communities and shared information about PLC services and ensured that communities knew that PLCs remained “open” and able to assist clients.
- Established an Indigenous Advisory Committee for the Indigenous Legal Needs Assessment, to guide the development of the assessment process and provide input on the recommendations arising out of the assessment data.

Performance Measure(s)	2017/18 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
1.3a Number of people reached through engagement activities LABC held with Indigenous people and communities ¹	1,786	5,070 ²	2,000 ³	2,185	2,250 ⁴	2,400 ⁴

¹ Data Source: LABC operational data (annual measure)

² In 2019/20 LABC refined engagement tracking methodology for improved consistency across LABC locations, leading to a ‘bump up’ in the volume from baseline.

³ Target for 2020/21 was set in 2018/19 based on the tracking methodology in place at that time.

⁴ LABC restated the targets for 2021/22 and 2022/23 in the [2021/22 – 2023/24 Service Plan](#).

Discussion of Results

The COVID-19 pandemic had a profound impact on LABC engagement activities with Indigenous people and communities. In-person engagement – the most effective and preferred form of engagement – was not possible due to public health orders and community responses to the pandemic (focus on establishing safety plans and protocols and ensuring the health and safety of community members; many communities, particularly in rural and remote areas, were closed to visitors). Despite the shift to virtual engagement, LABC exceeded the target set for 2020/21 but did not approach the level of results achieved in 2019/20. The impacts of COVID-19 on engagement activities are expected to continue into 2022.

Goal 2: LABC delivers services tailored to people's needs

This service-focused goal is based on evidence that legal aid services tailored to people's needs will be more likely to help clients achieve early and lasting resolutions to their legal problems. LABC plans to adapt current services to better ensure that clients' unique needs — such as mental health, domestic violence, or poverty issues — are understood and addressed.

Objective 2.1: Increase the accessibility of legal aid services to address people's interrelated needs

Key Highlights

- Launched a new, free [Remote Child Support Mediation service](#) to help people with child support issues during the pandemic. This free service supported people with low incomes who did not qualify for legal aid representation services.

Performance Measure(s)	2018/19 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.1a Number of clients provided legal aid services or referred to other services for interrelated needs ¹	4,826 ²	7,145 ³	TBD	7,073 ³	TBD ⁴	TBD

¹ Data Source: LABC client information system and other operational data (annual measure)

² During 2020/21, LABC developed a more reliable method for capturing data on this performance measure, to include results for all services where client information is recorded for referrals made or support for interrelated needs is provided. In the [2021/22 – 2023/24 Service Plan](#), LABC has restated the 2018/19 Baseline using this method.

³ The 2019/20 and 2020/21 Actuals reflect the more reliable method for capturing data on this performance measure that was developed in 2020/21.

⁴ During Q4 of 2020/21, LABC set the 2021/22 Target at 7,400 based on year-to-date data available at that time.

Discussion of Results

Clients' legal problems often arise from or lead to interrelated needs such as health, housing or debt. By working with service providers to help clients get support for these issues, LABC can improve client outcomes as well as reduce clients' use of justice, health, and social services over the long term. This performance measure reports the number of referrals given to applicants and clients for LABC representation services, PLCs, expanded criminal and family duty counsel services, and the Family LawLINE. It also includes support for interrelated issues provided directly to PLC clients by Advocates and Aboriginal Community Legal Workers at the PLCs.

In 2020/21, LABC developed a more reliable method for capturing data on this performance measure, to include results for all services where client information is recorded for referrals made or support for interrelated needs is provided. The 2019/20 and 2020/21 actuals reported here reflect that more reliable method. Despite the shift to virtual service delivery during the pandemic, the 2020/21 results are close to the same level as 2019/20.

Objective 2.2: Support more people to achieve timely and lasting resolutions to their legal problems

Key Highlights

- In October 2020, LABC broadened the scope of our Family Limited Representation Contracts (FLRC), on a trial basis, to connect more clients with lawyers in lieu of in-person family duty counsel services that ceased in response to the COVID-19 pandemic. This included a temporary increase in the financial eligibility threshold so more people could get a lawyer's help, whether or not their case involved court. The number of clients accessing the FLRC more than doubled in 2020/21 over the previous year (from about 450 to 950).
- About twice as many clients accessed Criminal Early Resolution Contracts (CERCs) in 2020/21 over 2019/20 (from about 1200 to 2400), highlighting the importance of this service to clients during the pandemic.

Performance Measure(s)	2017/18 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
2.2a Percent of clients who say legal aid met their needs overall ¹	55% ²	— ³	— ⁴	60%	59% ⁵	— ⁶

¹ Data Source: Biennial LABC Client Survey

² 2017/18 was the first time "Percent of clients who say legal aid met their needs overall" was measured by client survey.

³ Client survey was ready to be sent out in March 2020, but due to the COVID-19 lockdown, LABC decided to postpone the survey to 2020/21.

⁴ In the 2020/21 – 2022/23 Service Plan, there was no target for 2020/21 because the biennial client survey was scheduled to be conducted in 2019/20. In the 2020/21 – 2022/23 Service Plan, the 2019/20 Forecast was 57%.

⁵ This target was set when the biennial client survey was scheduled for 2019/20 and 2021/22.

⁶ LABC has set a 2022/23 Target in the [2021/22 – 2023/24 Service Plan](#).

Discussion of Results

A key objective of delivering services tailored to people's needs is to help them find early and stable resolutions to their legal problems. LABC uses survey responses to determine whether clients believe their issues have been resolved through the use of legal aid services. Results for this performance measure in 2020/21 surpassed the baseline by 5% and exceeded the 2019/20 Forecast of 57% in the 2020/21 – 2022/23 Service Plan, which was set when the client survey was scheduled for 2019/20. This 5% increase in the percentage of clients who say legal aid met their needs overall exceeded our expectations for the year. In addition, our client survey also measures overall client satisfaction with a result of 66% in 2020/21, which is a further indication that our services are assisting clients to achieve timely and lasting resolutions to their legal problems. We continue to strive to improve these results by adapting our current services to better ensure that clients' unique needs are understood and addressed.

Goal 3: LABC operates a cost-effective, quality-assured legal aid plan

Operating a cost-effective, quality-assured legal aid plan will help us achieve optimum benefit for the people we serve within our funding envelope.

Objective 3.1: Increase staff's and service providers' ability and capacity to provide quality services

Key Highlights

- Provided extensive online training to enable staff to deliver services remotely during the pandemic.
- Provided bursaries for tariff lawyers to attend training offered by external agencies (for example: Canadian Bar Association of BC, CLEBC, and Trial Lawyers Association of BC). Bursaries were approved and provided for 44 courses and a total of 1,489 hours of training to increase tariff lawyers' ability to provide quality services. 216 tariff lawyers attended at least one course.

Performance Measure(s)	2018/19 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
3.1a Number of staff and service providers who participated in an LABC-sponsored training program to increase their ability to provide quality services ¹	356 ²	391 ²	501	521	548 ³	602 ³

¹ Data Source: Operational data (annual measure)

² The 2018/19 baseline and the 2019/20 actuals include only one category of LABC service provider (tariff lawyers). The 2020/21 target and actuals, and the targets for future years, include two additional LABC service provider categories (Community Partners and Local Agents).

³ The targets for 2021/22 and 2022/23 were revised during 2020; see the [2021/22 – 2023/24 Service Plan](#) for revised targets.

Discussion of Results

To assess progress on this objective, LABC tracks the number of staff and service providers who undertake training to increase their ability to provide quality services. In previous years, LABC has tracked and included data for staff and tariff lawyers. In 2020/21, LABC included two additional service providers (LABC Community Partners and Local Agents) to fully reflect the LABC-sponsored training programs offered to increase the ability to provide quality services to our clients. The 2020/21 Actuals exceeded the 2020/21 Target because, due to the pandemic, LABC delivered virtual training events which allowed more people to attend than would be the case with in-person training.

Objective 3.2: Increase the availability of qualified staff and service providers in all regions

Key Highlights

- Participated in ongoing consultations with the Association of Legal Aid Lawyers and MAG on proposed legal aid policy changes intended to better serve clients and tariff lawyers.
- Provided extensive online training to support managers and supervisors to hire and onboard new staff remotely and to keep their teams engaged virtually during the pandemic.
- Provided multiple online training sessions with a focus on staff safety and supporting staff to work from home during the pandemic.

Performance Measure(s)	Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
3.2a Percent of lawyers satisfied with the overall support provided by LABC ¹	68% (2005)	75%	—	—	70%	—
3.2b Overall employee engagement ²	70 (2008)	66	—	—	—	TBD ³

¹ Data Source: Biennial Tariff Lawyer Survey

² Data Source: Triennial LABC Workplace Environment Survey, which uses a 5-point survey scale and produces “average score” results.

³ During 2020/21, LABC set the 2022/23 Target at 70 based on the 2019/20 Actuals (66) which LABC obtained after the 2020/21 – 2022/23 Service Plan was published.

Discussion of Results

LABC continues to use two long-standing performance measures to track our progress on this objective. Although these are proxy measures, lawyer satisfaction and employee engagement are strong indicators of our ability to attract and retain staff and service providers. The agreement negotiated with the Association of Legal Aid Lawyers in 2019/20 combined with the quality assurance program positively impacted lawyer satisfaction, leading to results which significantly

exceeded the 2019/20 Forecast of 65%. There are no targets or actuals for 2020/21 because the Biennial Tariff Lawyer Survey is conducted every two years (in 2019/20 and 2021/22) and the Triennial LABC Workplace Environment Survey is conducted every three years (in 2019/20 and 2022/23).

Objective 3.3: Increase the timeliness of LABC service delivery

Key Highlights

- Maintained access to intake services through the Call Centre when in-person intake shut down due to COVID-19, with a significant increase in Call Centre volume: incoming calls during 2020/21 increased by 9% compared to 2019/20, and the number of calls answered increased by 19%.
- Augmented intake options by implementing a new electronic applications process allowing criminal lawyers to apply for legal aid on behalf of clients who, due to barriers or other challenges, were unable to contact LABC. The electronic application process for advocates, piloted before the pandemic for family law applications, expanded to more intermediaries including Indigenous agencies and criminal lawyers.

Performance Measure(s)	2016/17 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
3.3a Percent of approved applicants receiving a representation contract within the same day of applying ¹	56%	53%	56%	49%	TBD ²	TBD

¹ Data Source: LABC client information system (annual measure)

² During Q4 of 2020/21, LABC set the 2021/22 Target at 55% based on year-to-date data available at that time.

Discussion of Results

The pandemic had a negative impact on our results for this performance measure. A significant proportion of LABC clients who receive a representation contract within the same day of applying are in-custody clients. During 2020/21, the percentage of in-custody clients declined by about 5%, lowering the number of contracts issued on the same day as application. This decline in the percentage of in-custody clients was due to the impacts of COVID-19 (not as many people were getting arrested, to keep them out of jail as much as possible to avoid COVID-19 outbreaks in jails). It was also more difficult to find lawyers willing to represent clients during the pandemic, especially in the area of family law.

Objective 3.4: Reduce indirect costs

Key Highlights

- LABC reviewed current administrative practices and began implementation of efficiency gains in 2020/21.

- In addition, a work from home operational review took place.

Performance Measure(s) %	2018/19 Baseline ¹	2019/20 Actuals ¹	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
3.4a Indirect costs as a percentage of total funding received ^{1, 2}	12% ³	8%	8% ⁴	9%	TBD	TBD

¹ Data Source: LABC audited financial statements. Performance measure is the sum of indirect expenses divided by total funding received, expressed as a percentage.

² In the [2021/22 – 2023/24 Service Plan](#), LABC presented the performance measure for indirect costs in absolute dollars, consistent with the 2021/22 LABC Mandate Letter.

³ Figures in the [2021/22 – 2023/24 Service Plan](#) include Amortization.

⁴ 2020/21 Target figures are consistent with the 2020/21 Q3 Forecast.

Discussion of Results

In 2020/21 there was an increase in incremental COVID-19 operating expenses (as defined by the Office of the Comptroller General) to accommodate working from home and one-time Ministry approved initiatives. However, the actual indirect costs at 9% were at or near the target of 8%. The figures in the table above are rounded to zero decimal places, but when presented to one decimal place, the 2020/21 target is 8.4% and the 2020/21 actual indirect costs are 8.5%, only 0.1% over the target. Without incremental COVID-19 operating expenses, LABC would have met the target for indirect costs in 2020/21. The incremental COVID-19 operating expenses were partially offset by budgeted staff reductions realized through attrition.

Goal 4: LABC influences systemic changes that improve the outcomes of people who use our services

This goal articulates our intention to bring about the justice system changes required to improve outcomes for our clients. LABC needs to influence and innovate to achieve these fundamental changes.

Objective 4.1: Increase LABC's influence on changes that improve access to justice

Key Highlights

- LABC was a key participant in the accelerated implementation of the early resolution model under the new Provincial Court family law rules at the Surrey courthouse. LABC received additional funding to implement additional duty counsel and legal aid resources required by the new rules.
- In response to the pandemic, the courts shifted to virtual services. LABC supported that pandemic response by supporting the implementation of virtual bail, providing virtual advice services, and regularly updating our websites to provide current information about justice system changes in response to the evolving situation.

Performance Measure(s)	2005 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
4.1a Percent of the public that supports the provision of legal aid services ¹	89%	—	>90%	89%	—	>90%

¹ Data Source: Biennial LABC Public Opinion Poll

Discussion of Results

The level of public support for legal aid is a primary indicator of the value BC residents place on legal aid services and the contribution of these services to a fair and efficient justice system. This measure is linked to public awareness of legal aid services and helps demonstrate the importance of legal aid in ensuring access to justice for the people of BC.

The 2020/21 results match the baseline for this performance measure and are just under the target for this year, continuing the consistent, positive results shown through our biennial public opinion poll.

Objective 4.2: Promote innovations that help people resolve their legal issues

This objective recognizes that LABC will drive systemic change by supporting, developing, and implementing innovative justice services that improve the outcomes of people who use them.

Key Highlights

- Added Family Limited Representation Contracts and digital early resolution services to innovative services in 2020/21.

Performance Measure(s)	2017/18 Baseline	2019/20 Actuals	2020/21 Target	2020/21 Actuals	2021/22 Target	2022/23 Target
4.2a Number of clients accessing innovative legal aid services who resolve their legal issues ¹	248 ²	1,137 ³	>300	2,062 ⁴	>300 ⁵	>300 ⁵

¹ Data Source: LABC client information system

² For the purposes of this measure “innovative” services are defined as key specialized services. Baseline data includes results from Vancouver PLC and Expanded Criminal Duty Counsel.

³ As new specialized services are implemented and new service locations are added, they are included in “innovative” services for this performance measure. 2019/20 Actuals includes clients from all 10 PLC locations (Campbell River, Duncan, Kamloops, Prince George, Smithers, Surrey, Terrace, Vancouver, Victoria and Williams Lake), clients from Port Coquitlam Expanded Criminal Duty Counsel, and clients who received a Criminal Early Resolution Contract.

⁴ 2020/21 Actuals includes the following key specialized services: all 10 PLC locations; Criminal Early Resolution Contracts; Family Limited Representation Contracts; and digital early resolution services such as online dispute resolution, remote mediation and online tools.

⁵ LABC restated the 2021/22 and 2022/23 Targets in the [2021/22 – 2023/24 Service Plan](#).

Discussion of Results

This measure demonstrates the growing impact of our innovative legal aid services. The significant growth in 2020/21 reflects the inclusion of Family Limited Representation Contracts and the increase in Criminal Early Resolution Contracts. Both of these contract types increase access to justice for people who would otherwise be ineligible for representation services, either for financial reasons or because their matter is not serious enough to meet standard legal aid coverage criteria. Digital early resolution services such as online dispute resolution and remote mediation assist people who are not eligible for representation services to resolve their legal issues.

Financial Report

For the auditor's report and audited financial statements, [see Appendix D](#). These can also be found on the [Legal Aid BC website](#).

Discussion of Results

The following discussion of LABC's financial results for the year ending March 31, 2021 should be read in conjunction with LABC's audited financial statements including accompanying notes. The financial statements have been prepared in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia based on the Canadian Public Sector Accounting Standards (PSAS).

Revenue

LABC receives the majority of its revenue from the following sources: the Provincial government, the Law Foundation of British Columbia, and the Notary Foundation of British Columbia. Total revenue for 2020/21 was \$105.4 million compared to the 2019/20 total revenue of \$105.7 million. The provincial government provides the largest portion of revenue. In 2020/21, the provincial government provided \$100.1 million to LABC (2019/20 \$99.4 million).

Government of British Columbia funding

The funding received from the provincial government is governed by a three-year Memorandum of Understanding (MOU) between LABC and the MAG April 1, 2020 – March 31, 2023. The MOU outlines the roles and responsibilities for LABC and the ministry, the types of services LABC can provide with provincial government funding, and the priorities for allocating that funding. The MOU defines how criminal cases are to be categorized and funded.

There are three criminal case categories:

- **Category A:** Within the approved budget within which cases will be accounted for where the total of the fees and disbursements is less than or equal to \$75,000.
- **Category B:** Within the approved budget within which a case will be accounted for where the total of the fees and disbursements exceeds \$75,000 and are less than or equal to \$175,000, or where it is a Court Appointed Counsel Case or a Charter Required Counsel Case. These cases are funded by a restricted contribution, and any surplus in these cases is transferred to deferred contributions. In the case of an annual shortfall in Criminal Category B cases, LABC must first apply any Category A surplus to the shortfall. LABC must then transfer funds from the Deferred Contribution Fund, if any, to offset any remaining shortfall. If a shortfall still remains, LABC must enter into a discussion with the MAG.
- **Category C:** Within the approved budget within which a case will be accounted for where the total of the fees and disbursements exceeds \$175,000, or where the case is one in which the rate payable to counsel exceeds LABC's enhanced fee rate. These cases are funded through a special funding agreement with the MAG.

Other Funding

Both the Law Foundation and the Notary Foundation provide annual grants to LABC. The Law Foundation and the Notary Foundation funds are not included in the MOU. The *Notaries Act* requires the Notary Foundation to contribute 55 percent of their interest revenue to LABC. As a result of the global pandemic, interest rates were at historical low levels. The Notary Foundation provided \$0.7 million to LABC in 2020/21, compared to \$2.4 million in 2019/20. The Law Foundation provided \$3.5 million in 2020/21 compared to \$3.4 million in 2019/20.

Expenses

LABC's expenses totalled \$105.4 million in 2020/21, a decrease of \$3.3 million from 2019/20. The decrease in expenses compared to last year is a result of COVID-19 impact on court operations, partially offset by increased expenses as a result of LABC's operational response to the pandemic. Of the total expenses, \$69.6 million was for the tariff programs, \$19.9 million for salaries and benefits, \$4.0 million for building and amortization, and \$11.9 million for other costs. See Audited Financial Statements — Note 10, Expenses by object.

Tariff and Program expenses

The financial statements are prepared in accordance with Canadian PSAS, and as a result expenses are consolidated and reported by program. The tariff expenses reported in the financial statements include payments to the private bar, any direct service contracts, and an allocation for both public services and tariff direct support costs.

To determine the costs for tariff, LABC estimates the liability for services provided by the private bar using an actuarial model. This model includes actual costs based on invoices received, and estimated costs for work performed on all unbilled contracts made during the fiscal year. The tariff accrual and corresponding tariff expenses are subject to change within a range of plus or minus ten percent from the amounts recorded in the financial statements due to uncertainties regarding both timing and costs. The estimate of this level of variability is in itself subject to many uncertainties, and the outcome of individual matters is not predictable with assurance, due in part to the ongoing effects of the COVID-19 pandemic on the court system. The estimated tariff liability at the end of 2020/21 is \$11.5 million (2019/20 \$10.4 million). An independent actuary review is performed every three years. The next review will be February 2022, with the results reported for the 2021/22 fiscal year. See Audited Financial Statements — Note 5 (b), Tariff and Note 19 – Measurement uncertainty.

The society does not record a liability, and related accounts receivable, for certain legal services performed but not yet billed to the society as the amount cannot be estimated reliably. For these legal cases, the related costs are fully reimbursed to the society based on the terms of agreements with either the Province of British Columbia or the Government of Canada.

Financial Summary

\$ millions	2019/20 Actual	2020/21 Budget	2020/21 Actual	2020/21 Variance
Revenue				
Contribution from Province	99.4	101.1	100.1	(1.0)
Other Income & Recoveries	6.3	4.9	5.3	0.4
Total Revenue	105.7	106.0	105.4	(0.6)
Expenses				
Criminal tariff	52.5	54.9	53.4	(1.5)
Family tariff	21.6	24.1	21.7	(2.4)
Child Protection tariff	6.7	7.7	5.8	(1.9)
Immigration and refugee tariff	4.3	2.7	3.7	1.0
Justice Initiatives	7.2	5.3	7.2	1.9
Indirect (Administration)	8.0	6.4	9.0	2.6
Publishing	2.3	2.3	2.5	0.2
Community engagement	0.9	1.0	0.8	(0.2)
Indigenous services	1.3	1.6	1.3	(0.3)
Other contribution	3.9	0.0	0.0	0.0
Total Expenses	108.7	106.0	105.4	(0.6)
Net Income	(3.0)	0.0	0.0	0.0
Total Liabilities	17.9	19.0	19.2	0.2
Capital Expenditures	1.4	1.0	0.1	(0.9)
Accumulated Surplus	0.9	0.5	0.9	0.4

Note 1: The above financial information was prepared based on current Generally Accepted Accounting Principles.

Note 2: Consistent with Public Sector Accounting Standards (PSAS) and section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, when expenses support a range of service delivery activities, they are allocated to those service activities.

Note 3: For a detailed breakdown of Indirect (Administration), see Appendix D: Auditor's Report and Audited Financial Statements — Note 11, Administration expense and Note 19, Comparative Figures.

Note 4: 2020/21 Budget figures are based on Legal Aid BC's 2020/21-2022/23 Service Plan.

Variance and Trend Analysis

LABC's revenue decreased by \$0.3 million during the fiscal year compared to last year. The decrease was due primarily to the global pandemic. The global pandemic, COVID-19, has significantly disrupted economic activities in BC. This is a difficult time for the legal system. The society is responding by taking steps to ensure that, wherever possible, access to justice continues despite any interruptions to the courts as a result of COVID-19, and to support providers during this challenging time.

The disruption from the pandemic was initially expected to be temporary. Given the dynamic nature of these circumstances, the duration of disruption to the society's operations and related financial impacts cannot be reasonably estimated at this time other than the disruption is elongating.

Risks and Uncertainties

LABC's largest risk is fluctuating demand and costs for services. LABC cannot predict the demand for tariff services, nor the pace at which cases are billed. The ability to control costs and manage demand continues to be critical to meeting budget targets.

The biggest tariff risk is in criminal as it is the largest proportion of tariff program expense (over 63 percent). The MOU outlines three categories of criminal cases and the funding to help mitigate the risk of the larger cases (Category B and Category C).

Capital Expenditures

Capital expenditures are required to assure the continued operations of LABC. These expenditures include information systems, cyber security, lawyer billing systems, leasehold improvements, and office equipment. The major capital expenditure for the fiscal year was the replacement of infrastructure. LABC invested \$0.1 million in capital programs. See Audited Financial Statements – Schedule 1 – Tangible Capital Assets.

Appendix A: Additional Information

Organizational Overview

Mandate: <https://lss.bc.ca/about/ourMandate>

Who We Are, and Our Vision, Mission, and Values: <https://lss.bc.ca/about>

Legal Aid Services: https://lss.bc.ca/legal_aid

Legal Aid Locations: https://lss.bc.ca/legal_aid/legalAidLocations

Corporate Governance

Board Governance: <https://lss.bc.ca/about/ourGovernance>

Senior Management: <https://lss.bc.ca/about/ourExecutive>

Contact Information

Legal Aid BC

400 – 510 Burrard Street

Vancouver, BC V6C 3A8

604-601-6000

legalaid.bc.ca

Appendix B: Legal Information and Education Services

	2020/21	2019/20	2018/19
Aboriginal community legal worker client assists	175	197	496
LIOW worker client assists	9,698	6,077 ¹	5,019
PLEI publications distributed	16,107	113,861	101,522
LABC website users	213,646	203,911	207,923
LABC website sessions	389,433	376,001	396,120
Family Law in BC website users	615,294	731,364	814,396
Family Law in BC website sessions	869,190	1,015,402	1,135,983
Aboriginal Legal Aid in BC website users	20,182	18,985	14,275
Aboriginal Legal Aid in BC website sessions	26,058	24,379	18,642
MyLawBC website users	51,522	38,263	42,759
MyLawBC website sessions	71,376	54,000	59,897
Total intermediaries reached through LABC workshops and conferences	1,567	1,570	2,133
Direct one-to-one client assists by community partners	10,433	11,136	9,990

¹ This number was reported as 4,495 in the 2019/20 Annual Service Plan Report (ASPR). It is restated here so that all years reported include client assists at multiple locations and modalities (in-person and by phone, email, online live chat, and mail). The 2019/20 results previously reported incorrectly excluded client assists at Vancouver Downtown Community Court.

Appendix C: Other Performance Highlights

The following tables show the number of individuals who applied for representation services (service requests) and the number of individuals who received a representation contract (contracts). The contract issued rate is the percent of applicants who received a contract.

Volumes for 2020/21 show the significant impact of the COVID-19 pandemic on expressed demand for legal aid services. Volumes of service requests dropped by 13% overall, with declines seen in all areas of except Family and Administrative Appeals. Requests for family representation services rose steadily starting in the fall and ending 5% higher for the year than 2019/20, with a 4% increase in contracts issued – a clear indicator of the toll taken on families by the pandemic.

Clients Served

Area of Law	2020/21		2019/20		2018/19	
	Service Requests	Contracts	Service Requests	Contracts	Service Requests	Contracts
Criminal	20,267	16,756	24,256	20,221	23,926	19,221
Family	8,515	4,566	8,131	4,400	7,951	4,158
CFCSA ¹	2,641	1,838 ²	2,925	2,085 ²	3,018	2,286
Immigration	1,444	1,035	2,480	1,941	2,029	1,603
Appeals of Administrative Tribunal Decisions ³	146	67	93	17	94	15
Total	33,013	24,262	37,885	28,664	37,018	27,283

* All volumes in this table reflect both standard and appeal service requests and contracts.

¹ LABC provides services to eligible clients facing child protection issues under the CFCSA.

² Includes PLC cases and contracts referred to the private bar.

³ These are judicial appeals and prerogative writ applications that do not fit strictly into other areas of law but involve a challenge to the applicant's liberty or security. Most of them are prison law cases, but some mental health law cases and cases involving liberty interests are included. The significant increase in 2020/21 over previous years is attributable to a number of COVID-19 prison law cases that happened early in the fiscal year.

Contract Issued Rate

Area of Law	2020/21	2019/20	2018/19
Criminal	83%	83%	80%
Family	54%	54%	52%
CFCSA ¹	70%	71%	76%
Immigration	72%	78%	79%
Appeals of Administrative Tribunal Decisions ²	46%	18%	16%

¹ Includes PLC cases and contracts referred to the private bar.

² These are judicial appeals and prerogative writ applications that do not fit strictly into other areas of law but involve a challenge to the applicant's liberty or security. Most of them are prison law cases, but some mental health law cases and cases involving liberty interests are included. The significant increase in 2020/21 over previous years is attributable to a number of COVID-19 prison law cases that happened early in the fiscal year.

LABC offers a wide variety of advice services. These services help us support clients when they do not meet the eligibility requirements for legal representation. We make it easier for clients to access legal aid by providing advice by phone and by situating duty counsel lawyers in courthouses.

The following table shows the impact of the COVID-19 pandemic on clients' ability to access our legal advice services during the pandemic. While LABC shifted some in-person duty counsel advice services to phone services, the volume of assists provided by these services dropped by 30% to 50%. In comparison, pre-existing phone services like Family LawLINE saw a significant increase in client volume.

Legal Advice Services

	2020/21	2019/20	2018/19
Criminal Advice Services			
Criminal duty counsel client assists ¹	53,064	75,347	71,666
Indigenous Court duty counsel client assists ²	470	613	693
Brydges Line calls handled	19,278 ³	16,494	16,794
Family Advice Services			
Family duty counsel client assists	15,495	32,699	35,102
Expanded family duty counsel Victoria unique clients ⁴	801	1,373	N/A
Family LawLINE unique clients	4,658	3,859 ⁵	3,774
Immigration Advice Services			
Immigration duty counsel client assists	524	1,068	1,036

¹ Client assists represents the number of times clients have been assisted rather than the unique number of clients. An individual client can receive services multiple times.

² Data is also included in the criminal duty counsel client assists data

³ Calls to the Brydges Line increased in the second half of the year following a switch to a new service provider. The increase may reflect a different way of counting calls from the previous provider. In 2021, call data will come from a new software application, which may affect the count.

⁴ Data for 2018/19 is included in 'Family duty counsel client assists'

⁵ In October 2019 LABC switched to a new system for tracking LawLINE clients. Data for 2019/20 includes data from two systems and may double count some clients.

Appendix D: Auditor's Report and Audited Financial Statements

Financial statements of

Legal Services Society

March 31, 2021

Legal Services Society

March 31, 2021

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Management's Report

Management's Responsibility for the Legal Services Society Financial Statements

The Legal Services Society (the "society") financial statements as at and for the year ended March 31, 2021 (the "financial statements") have been prepared by management in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Finance Committee. The Board of Directors reviews internal financial statements on a quarterly basis and external audited financial statements yearly. The Board of Directors also discusses any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Deloitte LLP, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the annual financial statements. The external auditors have full and free access to the financial records of the society and meet with management and the Board of Directors when required. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of the society



Mark Benton, QC
Chief Executive Officer



Chris Earle, CPA, CMA, C. Dir
Vice President, Finance and Corporate
Services

Independent Auditor's Report

To the Directors of
Legal Services Society

Opinion

We have audited the financial statements of Legal Services Society (the "Society"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements of the Society for the year ended March 31, 2021 are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Society in complying with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants
May 14, 2021
Vancouver, British Columbia

Statement of financial position

as at March 31, 2021

	2021	2020
Financial assets		
Cash (note 17)	\$ 11,307,741	\$ 8,330,509
Investments (notes 4 and 17)	—	1,904,925
Accounts receivable (note 17)		
Government of British Columbia (note 14)	1,336,132	620,114
Government of Canada	1,125,684	926,690
Other	2,642,116	1,917,564
Total financial assets	16,411,673	13,699,802
Liabilities		
Accounts payable and accrued liabilities (note 17)		
General (note 5a)	3,087,115	2,724,105
Tariff (note 5b)	14,972,983	13,894,778
Employee future benefits (notes 6(b) and 17)	217,800	224,800
Long-term liabilities (notes 7 and 17)	914,999	1,058,451
Total liabilities	19,192,897	17,902,134
Net debt	(2,781,224)	(4,202,332)
Non-financial assets		
Tangible capital assets (Schedule 1)	3,304,777	4,560,560
Prepaid expenses	415,914	581,239
Total non-financial assets	3,720,691	5,141,799
Accumulated surplus (note 8)	\$ 939,467	\$ 939,467
Contractual obligations (note 13)		
Economic dependence (note 15)		
Contingent liabilities (note 16)		

The accompanying notes and supplementary schedule are an integral part of these financial statements.



Jean Whittow, QC
Chair of the Board of Directors



Karen Christiansen, FCPA, FCA
Chair of the Finance Committee

Statement of operations and accumulated surplus

for the year ended March 31, 2021

	Budget (note 12)		2021	2020
Revenue				
Government of British Columbia (notes 9 and 14)	\$ 106,824,000	\$ 100,106,710	\$ 99,361,547	
Law Foundation	3,250,000	3,477,837	3,430,340	
Department of Justice — Canada	—	82,778	35,678	
Notary Foundation	500,000	713,020	2,398,470	
Investment income	50,000	164,592	175,816	
Miscellaneous	487,000	807,881	327,358	
Total revenue	111,111,000	105,352,818	105,729,209	
Expenses (notes 10, 14 and 19)				
Criminal tariff	56,423,337	53,393,540	52,454,030	
Family tariff	24,480,589	21,681,935	21,634,222	
Child protection tariff	7,690,527	5,794,281	6,723,750	
Immigration and refugee tariff	3,285,690	3,659,893	4,260,941	
Justice Innovation and Transformation Initiatives	7,423,408	7,182,927	7,152,251	
Publishing	2,130,904	2,538,750	2,326,848	
Community engagement	808,160	791,454	925,350	
Indigenous services	1,389,755	1,322,126	1,305,063	
Other contribution (note 8)	—	—	3,940,000	
Administration (note 11)	7,478,630	8,987,913	8,006,982	
Total expenses	111,111,000	105,352,818	108,729,437	
Deficit for the year	—	—	(3,000,228)	
Accumulated surplus at beginning of year	939,467	939,467	3,939,695	
Accumulated surplus at end of year (note 8)	\$ 939,467	\$ 939,467	\$ 939,467	

The accompanying notes and supplementary schedule are an integral part of these financial statements.

Statement of changes in net debt

for the year ended March 31, 2021

	Budget (note 12)	2021	2020
Deficit for the year	\$ —	\$ —	\$ (3,000,228)
Acquisition of tangible capital assets	(1,050,000)	130,956	(1,374,809)
Amortization	1,163,000	1,124,827	2,363,110
	(113,000)	1,255,783	988,301
Acquisition of prepaid expenses	—	(511,262)	(581,239)
Use of prepaid expenses	—	676,587	4,608,567
	—	165,325	4,027,328
Decrease (increase) in net debt	(113,000)	1,421,108	2,015,401
Net debt at beginning of year	(4,202,332)	(4,202,332)	(6,217,733)
Net debt at end of year	\$ (4,315,332)	\$ (2,781,224)	\$ (4,202,332)

The accompanying notes and supplementary schedule are an integral part of these financial statements.

Statement of cash flows
for the year ended March 31, 2021

	2021	2020
Cash provided by (applied to) operating activities		
Deficit for the year	\$ —	\$ (3,000,228)
Items not involving cash:		
Amortization	1,124,827	2,363,110
Long term liabilities	(143,452)	449,411
<i>Changes in non-cash working capital:</i>		
Accounts receivable	(1,639,564)	197,231
Accounts payable and accrued liabilities	1,441,215	425,200
Prepaid expenses	165,325	4,027,328
Employee Future Benefits	(7,000)	(3,000)
Total change from Operating activities	941,351	7,459,280
Cash applied to capital activities		
Purchase of tangible capital assets	130,956	(1,374,808)
Total change from Capital activities	130,956	(1,374,808)
Cash provided by investing activities		
Investments redeemed	1,904,925	5,044,819
Total change from Investing activities	1,904,925	5,044,819
Increase in cash	2,977,232	8,129,063
Cash at beginning of year	8,330,509	201,446
Cash at end of year	\$ 11,307,741	\$ 8,330,509

The accompanying notes and supplementary schedule are an integral part of these financial statements.

Notes to the Financial Statements

for the year ended March 31, 2021

1. Overview

The Legal Services Society (the “society”) was established under the Legal Services Society Act on October 1, 1979 (as revised on May 31, 2007). The society is governed by a Board of Directors, of which five are appointed by the Province of British Columbia (the province) and four are appointed by the Law Society. The society operates within the framework of a Memorandum of Understanding (MOU) with the province. The MOU is renewed every 3 years and outlines the roles, budget and planning processes as well as prioritization for allocating funding. The purpose of the society is to:

- assist individuals to resolve their legal problems and facilitate access to justice,
- establish and administer an effective and efficient system for providing legal aid to individuals in British Columbia, and
- provide advice to the Attorney General respecting legal aid and access to justice for individuals in British Columbia.

The society is not subject to income taxes.

The global pandemic, COVID-19, has significantly disrupted economic activities in BC. This is a difficult time for the legal system. The society is responding by taking steps to ensure that, wherever possible, access to justice continues despite any interruptions to the courts as a result of COVID-19, and to support providers during this challenging time.

The disruption from the pandemic was initially expected to be temporary. Given the dynamic nature of these circumstances, the duration of disruption to the society’s operations and related financial impacts cannot be reasonably estimated at this time other than the disruption is elongating.

2. Basis of presentation

These financial statements are prepared by management in accordance with the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the province. This section requires the accounting policies and practices of government organizations to conform to generally accepted accounting principles for senior governments in Canada, as modified by any alternative standard or guideline that is made by the Treasury Board.

In November 2011, a Treasury Board regulation was issued that requires tax-payer supported organizations to adopt the accounting policies for restricted contributions described in note 3(a). These accounting policies are significantly different from Canadian Public Sector Accounting Standards (“PSAS”) which require that government transfers with stipulations are recognized as revenue in the period the transfer is authorized and all eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability. Such liability is reduced, and an equivalent amount of revenue is recognized, as the liability is settled.

2. Basis of presentation (continued)

The accounting policy described in note 3(a) is different from PSAS with respect to the timing of revenue recognition for government transfers. The impact on the financial statements of the society as at and for the year ended March 31, 2021 is not significant.

3. Significant accounting policies

(a) Revenue recognition

Revenues are recognized in the period in which the transactions or events that give rise to the revenues occur. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

Government transfers received for the purpose of developing or acquiring a depreciable tangible capital asset are deferred and recognized as revenue at the same rate as the amortization, and any impairment, of the tangible capital asset. Other government transfers are recognized as revenue in the period they authorized, any eligibility criteria are met and when any stipulation or restriction the transfer is subject to is met.

Restricted contributions received or receivable are deferred and amortized into revenue as the related expenses are incurred.

(b) Expenses

Expenses are reported on an accrual basis. The cost of services incurred during the year is expensed.

(c) Tariff expenses

Tariff expenses include amounts billed by lawyers to the society and an estimate of services performed by lawyers but not yet billed to the society.

(d) Employee future benefits

- i. The society's employees belong to the Municipal Pension Plan, which is a multi-employer contributory pension plan. The society records its pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This method is used because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets, and costs to individual employers participating in the plan.
- ii. The cost of non-vested sick leave benefits is actuarially determined using the projected benefit method and management's best estimate of salary escalation, future utilization of the benefits, long-term inflation rates, and discount rates.

3. Significant accounting policies (continued)

(e) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement, or betterment of the asset.

The estimated useful lives of assets are re-assessed on an annual basis. Tangible capital assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

Assets	Per year
Furniture	10 – 20%
Equipment	20%
Computer equipment	25 – 33%
Computer software	20 – 33%
Client Information System	20%
Leasehold improvements	Lower of lease term and useful life

Tangible capital assets are written down when conditions indicate that they no longer contribute to the society's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. The net write-downs (if any) are accounted for as expenses in the statement of operations.

(f) Lease inducements

Lease inducements are recognized on a straight-line basis over the term of the lease as a reduction in premises expense.

(g) Prepaid expenses

Prepaid expenses include computer software licenses, and deposits. These items are charged to expense over the periods expected to benefit from them.

(h) Financial instruments

The society's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities. Accounts receivable and accounts payable and accrued liabilities are initially recorded at fair value and subsequently measured at cost. Investments, which may comprise guaranteed investment certificates, provincial bonds, corporate bonds, and structured bank notes, are initially recorded at fair value and subsequently measured at amortized cost. Any premium or discount related to a financial instrument measured at amortized cost is amortized over the expected life of the instrument using the effective interest method.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. A write-down of a portfolio investment to reflect a loss in value is not reversed for a subsequent increase in value.

3. Significant accounting policies (continued)

(h) Financial instruments (continued)

The fair values of the society's cash, accounts receivable, and accounts payable and accrued liabilities generally approximate their carrying amounts due to their short term to maturity. The fair values of the society's investments are disclosed in note 4.

(i) Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Areas where estimates are significant to the financial statements include the tariff liabilities and expenses (note 17). Other areas where estimates are made include accounts receivable, estimated useful lives of tangible capital assets and the resulting amortization, non-vested sick leave benefits, and contingent liabilities.

Estimates are based on the best information available at the time of the preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from those estimates.

4. Investments

As of March 31, 2021, the society held no investments (2020 — \$1,904,925). All investments matured during the year.

5. Accounts payable and accrued liabilities

(a) General

	2021	2020
Trade payables	\$ 1,981,469	\$ 1,088,403
Payroll payables	1,105,646	1,635,702
Total	\$ 3,087,115	\$ 2,724,105

(b) Tariff

	2021	2020
Submittals approved, not paid	\$ 1,608,437	\$ 1,125,478
Submittals not approved	1,908,145	2,379,630
Accrual (note 18)	11,456,401	10,389,670
Total	\$ 14,972,983	\$ 13,894,778

5. Accounts payable and accrued liabilities (continued)

The society uses an actuarial model to estimate legal services performed but not yet billed to the society. Management estimated the liability to be approximately \$11,456,401 (2020 — \$10,389,670). This estimate, included in the above table, incorporates average case costs and service billings for similar cases, based on historical experience over a two-year period. Actual costs could differ from this estimate (notes 3(i) and 18).

The society does not record a liability, and related accounts receivable, for certain legal services performed but not yet billed to the society as the amount cannot be estimated reliably. For these legal cases, the related costs are fully reimbursed to the society based on the terms of agreements with either the Province of British Columbia or the Government of Canada.

6. Employee future benefits

(a) Pension plan

The society and its employees contribute to the Municipal Pension Plan (jointly trustee pension plan). The Board of trustees for this plan, representing plan members and employers, is responsible for administering the pension plan, including investing assets and administering benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2016, the Municipal Pension Plan had approximately 195,921 active members and 100,956 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation, conducted as at December 31, 2018, showed the plan's basic account, which pays lifetime pensions, was 105.1 per cent funded with actuarial assets of \$58.53 billion and actuarial liabilities of \$55.66 billion. There is a surplus of \$2.87 billion. In addition, the rate stabilization account, which was set up to help offset potential future contribution rate increases, has a balance of about \$2.5 billion.

The society paid \$1,305,282 (2020 — \$1,226,551) for employer contributions to the plan during the year ended March 31, 2021.

(b) Non-vested sick leave

Employees are credited days per year, ranging from six to ten days, for use as paid absences in the year due to illness or injury. Employees are allowed to accumulate unused sick day credits each year, up to the allowable maximum provided in their respective employment agreement.

Accumulated credits may be used in future years to the extent that the employee's illness or injury exceeds the current year's allocation of credits. The use of accumulated sick days for sick-leave compensation ceases on termination of employment and employee unused sick bank is not paid out at retirement. The benefit cost and liabilities related to the plan are included in the financial statements.

7. Long-term liabilities

Lease inducements

Lease inducements were provided under an operating lease by the property owner to finance tenant improvements.

	2021	2020
Leasehold inducements	\$ 914,999	\$ 1,058,451
Less: current portion	(143,452)	(143,452)
Long-term portion	\$ 771,547	\$ 914,999

8. Accumulated surplus

The Board of Directors has authorized the following restrictions on the accumulated surplus:

- In March 2019, the Board of Directors, the Association of Legal Aid Lawyers and the province entered into a Memorandum of Understanding (“MOU”) to prevent a withdrawal of service by the Legal Aid lawyers. The society paid \$3,940,000 to the Law Foundation on March 29, 2019.
- The payment to the Law Foundation on March 29, 2019 was recognized as an expense during the year ended March 31, 2020 over the term of the MOU negotiations.

9. Restricted contributions

2021

	Opening deferred contribution	Approved budget	Additional contributions	Recognized in operations	Closing deferred contribution
Government of British Columbia — Category B	\$ —	\$2,568,000	\$ —	\$ —	\$ —

2020

	Opening deferred contribution	Approved budget	Additional contributions	Recognized in operations	Closing deferred contribution
Government of British Columbia — Category B	\$ —	\$1,813,000	\$1,139,209	\$2,952,209	\$ —

9. Restricted contributions (continued)

The society's Memorandum of Understanding (MOU) with the Ministry of the Attorney General provides for restricted funding for exceptional matters commencing with the 2003 fiscal year. The MOU was renewed effective April 1, 2020, and provides clarification on criminal case classification and funding of these cases.

There are now three categories:

- **Category A:** Within the approved budget within which a case will be accounted for, where the total of the fees and disbursements is less than or equal to \$75,000.
- **Category B:** Within the approved budget within which a case will be accounted for, where the total of the fees and disbursements exceeds \$75,000 and is less than or equal to \$175,000, or where it is a court-appointed counsel case, or a charter-required counsel case. These cases are funded by a restricted contribution, and any surplus in these cases is transferred to deferred contributions. In the case of an annual shortfall in Criminal Category B cases, the society must first apply any eligible base criminal tariff surplus to the shortfall and then to deferred contributions.
- **Category C:** Within the approved budget within which a case will be accounted for, where the total of the fees and disbursements exceeds \$175,000, or where the case is one in which the rate payable to counsel exceeds the society's enhanced fee rate. These cases are funded through a special funding agreement with the Ministry of the Attorney General.

10. Expenses by object

The following is a summary of expenses by object:

	2021 Budget	2021 Actual	2020 Actual
Lawyer fees	\$ 57,919,400	\$ 53,272,871	\$ 50,209,857
Duty counsel fees	13,983,365	11,190,398	11,860,497
Disbursements	5,213,600	5,146,158	7,888,099
Total tariff costs	77,116,365	69,609,427	69,958,453
Salaries and benefits	19,758,287	19,886,119	18,803,352
Grants and contracted services	5,104,561	5,990,990	4,512,973
Computers	1,236,468	2,980,665	2,515,852
Premises	3,081,186	2,750,920	3,073,635
Local agents	1,683,700	1,709,691	1,712,831
Amortization	1,449,846	1,124,827	2,363,110
Office	802,217	633,415	1,088,103
Miscellaneous	624,656	537,994	369,157
Board expenses	167,508	124,975	114,375
Travel	86,206	3,795	277,596
Other contribution	-	-	3,940,000
Total	\$ 111,111,000	\$ 105,352,818	\$ 108,729,437

11. Administration expense

The administration expense includes the following expenditures in support of legal aid:

	2021 Actual	2020 Actual
Executive Office	\$ 1,880,126	\$ 1,242,264
Finance and Office Services	1,856,780	1,923,331
Strategic Policy, Planning and Human Resources	2,881,364	2,791,369
IT Operation Services	2,369,643	2,050,018
Total	\$ 8,987,913	\$ 8,006,982

12. Budgeted figures

The operating budgeted figures, presented on a basis consistent with that used for actual results, were approved by the Board of Directors on June 24, 2020, and submitted to the Ministry of the Attorney General on June 26, 2020 and were approved on July 23, 2020.

13. Contractual obligations

The society has the following contractual obligations.

	Premises leases	Operating costs	Total
2022	1,776,556	1,811,688	3,588,244
2023	1,780,975	129,300	1,910,275
2024	1,810,052	—	1,810,052
2025	1,657,923	—	1,657,923
2026	1,381,287	—	1,381,287
Thereafter	2,799,034	—	2,799,034
Total	\$ 11,205,826	\$ 1,940,988	\$ 13,146,814

Operating costs are service delivery contracts that are renewed over several years.

At year-end, the liability for future costs of legal services to be performed beyond the fiscal year, for which the society is currently committed, is estimated by management to be approximately \$30.8 million (2020 — \$30.3 million). This estimate uses the same methodology as described in note 5 for tariff payables.

14. Related parties

The society is related to the Province of British Columbia and its ministries, agencies, and Crown corporations. In this relationship, the province provided funding in the amount of \$100,106,710 (2020 — \$99,361,547), and the society is responsible for providing legal aid to individuals throughout British Columbia. At year-end, the province owed the society \$1,336,131 (2020 — \$620,114).

Certain members of the Board of Directors provide tariff services to the society. These services are provided in the regular course of business under the same terms and conditions as other lawyers. The total amount paid for their services during the year was \$132,376 (2020 — \$159,079). All payments to Board members are reviewed by the finance committee on a quarterly basis.

15. Economic dependence

In 2021, the society received 95% (2020 — 94%) of its operating revenue from the Province of British Columbia.

16. Contingent liabilities

The nature of the society's activities is such that there is usually pending or prospective litigation at any time against the society. With respect to claims at March 31, 2021, management believes the society has valid defences and appropriate insurance coverage in place. Accordingly, no provision has been made in these financial statements for any liability that may result. In the event that any of these claims are successful, management believes they will not have a material effect on the society's financial position or results from operations.

17. Risk management

Credit risk

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

The society regularly assesses the collectability of its receivables. At year-end, there were no significant accounts receivable that were past due or impaired.

The society's maximum exposure to credit risk is \$16,411,673 (2020 - \$13,699,802).

Liquidity risk

Liquidity risk is the risk that the society will not be able to meet its financial obligations as they fall due. The society'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. Additionally, the society has a line of credit available with a maximum authorized limit of up to \$1.0 million with a Canadian chartered bank. The interest rate per annum is the bank's prime rate. At March 31, 2021, the society has \$nil drawn against this line (2020 — \$nil).

The maturity of the society's financial assets and liabilities as at year-end was as follows:

2021

	On demand	Up to 1 year	1 to 3 years	Total
Financial assets				
Cash	\$ 11,307,741	\$ —	\$ —	\$ 11,307,741
Accounts receivable	—	5,103,932	—	5,103,932
Total financial assets	\$ 11,307,741	\$ 5,103,932	\$ —	\$ 16,411,673
Liabilities				
Accounts payable and accrued liabilities	—	6,603,697	—	6,603,697
Tariff accrual	—	11,456,401	—	11,456,401
Other liabilities	—	361,252	771,547	1,132,799
Total liabilities	\$ —	\$ 18,421,350	\$ 771,547	\$ 19,192,897

17. Risk management (continued)**Liquidity risk (continued)****2020**

	On demand	Up to 1 year	1 to 3 years	Total
Financial assets				
Cash	\$ 8,330,509	\$ —	\$ —	\$ 8,330,509
Investments	—	1,904,925	—	1,904,925
Accounts receivable	—	3,464,368	—	3,464,368
Total financial assets	\$ 8,330,509	\$ 5,369,293	\$ —	\$ 13,699,802
Liabilities				
Accounts payable and accrued liabilities	—	6,229,213	—	6,229,213
Tariff accrual	—	10,389,670	—	10,389,670
Other liabilities	—	368,252	914,999	1,283,251
Total liabilities	\$ —	\$ 16,987,135	\$ 914,999	\$ 17,902,134

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 society is not exposed to significant currency risk.

(b) Interest rate risk

Interest rate risk is the risk that the society's cash flow will change due to future fluctuations in market 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 changes in market prices (other than those arising from interest rate risk or currency risk). The society is not exposed to significant other price risk.

18. Measurement uncertainty

Program area		Amount reported	Measurement uncertainty	Range
Tariff accrual (<i>note 5b</i>)	Min	\$ 11,456,401	\$ (1,145,640)	\$ 10,310,761
	Max	\$ 11,456,401	\$ 1,145,640	\$ 12,602,041
Tariff and transcript expenses (<i>note 10</i>)	Min	\$ 69,609,427	\$ (1,145,640)	\$ 68,463,787
	Max	\$ 69,609,427	\$ 1,145,640	\$ 70,755,067

Variability in the tariff accrual can arise from the rate at which cases proceed and unanticipated changes in the average cost per case. In management's opinion, the tariff accrual and corresponding tariff expenses are subject to change within a range of plus or minus ten percent from the amounts recorded in these financial statements due to uncertainties regarding both timing and costs. The estimate of this level of variability is in itself subject to many uncertainties, and the outcome of individual matters is not predictable with assurance, due in part to the ongoing effects of the COVID-19 pandemic on the court system.

During the year ended March 31, 2019, the society engaged an independent actuarial firm to review the tariff accrual model. The review concluded that, in the aggregate, the tariff model remains appropriate for determining the amount to be accrued. The next review will be in January 2022, with the results reported in the March 31, 2022 financial statements.

19. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation. These reclassifications are summarized as follows:

Expense Category	As originally reported	Reclassification	As currently presented
Criminal tariff	\$ 49,842,907	\$ 2,611,123	\$ 52,454,030
Family tariff	20,677,504	956,718	21,634,222
Child Protection tariff	6,268,370	455,380	6,723,750
Immigration and refugee tariff	4,106,360	154,581	4,260,941
Administration	\$12,184,784	\$ (4,177,802)	\$ 8,006,982

Schedule 1 – Tangible Capital Assets**2021****Cost**

	Balance, beginning of year	2021 Additions	2021 Disposals	Balance, end of year
Furniture	\$ 1,107,829	\$ —	\$ —	\$ 1,107,829
Equipment	687,981	—	—	687,981
Computer equipment	1,278,758	117,416	—	1,396,174
Computer software	2,822,884	—	248,371	2,574,513
Client Information System	5,811,214	—	—	5,811,214
Leasehold improvements	3,892,736	—	—	3,892,736
Total	\$ 15,601,402	\$ 117,416	\$ 248,371	\$ 15,470,447

Accumulated amortization

	Balance, beginning of year	2021 Additions	2021 Disposals	Balance, end of year
Furniture	\$ (1,068,580)	\$ (20,672)	\$ —	\$ (1,089,252)
Equipment	(602,236)	(32,443)	—	(634,679)
Computer equipment	(1,116,206)	(65,925)	—	(1,182,131)
Computer software	(2,380,029)	(83,244)	—	(2,463,273)
Client Information System	(5,281,052)	(362,458)	—	(5,643,510)
Leasehold improvements	(592,740)	(560,085)	—	(1,152,825)
Total	\$ (11,040,843)	\$ (1,124,827)	\$ —	\$ (12,165,670)

Net Book Value

	2021	2020
Furniture	\$ 18,577	\$ 39,249
Equipment	53,302	85,746
Computer equipment	214,043	162,552
Computer software	111,240	442,855
Client Information System	167,704	530,162
Leasehold improvements	2,739,911	3,299,996
Total	\$ 3,304,777	\$ 4,560,560

Schedule 1 – Tangible Capital Assets (continued)**2020****Cost**

	Balance, beginning of year	2020 Additions	2020 Disposals	Balance, end of year
Furniture	\$ 1,107,829	\$ —	\$ —	\$ 1,107,829
Equipment	687,981	—	—	687,981
Computer equipment	1,278,758	—	—	1,278,758
Computer software	2,793,084	30,712	912	2,822,884
Client Information System	5,811,214	—	—	5,811,214
Leasehold improvements	2,547,728	1,345,008	—	3,892,736
Total	\$ 14,226,594	\$ 1,375,720	\$ 912	\$ 15,601,402

Accumulated amortization

	Balance, beginning of year	2020 Additions	2020 Disposals	Balance, end of year
Furniture	\$ (1,047,908)	\$ (20,672)	\$ —	\$ (1,068,580)
Equipment	(569,728)	(32,508)	—	(602,236)
Computer equipment	(1,062,023)	(54,183)	—	(1,116,206)
Computer software	(2,296,784)	(83,245)	—	(2,380,029)
Client Information System	(3,428,222)	(1,852,830)	—	(5,281,052)
Leasehold improvements	(273,068)	(319,672)	—	(592,740)
Total	\$ (8,677,733)	\$ (2,363,110)	\$ —	\$ (11,040,843)

Net Book Value

	2020	2019
Furniture	\$ 39,249	\$ 59,921
Equipment	85,746	118,253
Computer equipment	162,552	216,735
Computer software	442,855	496,300
Client Information System	530,162	2,382,992
Leasehold improvements	3,299,996	2,274,660
Total	\$ 4,560,560	\$ 5,548,861