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# ANNUAL REPORT

LEGAL AID ALBERTA 2019-2020

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# MESSAGE FROM THE BOARD CHAIR



**Honourable Doug Schweitzer, QC**  
**Minister of Justice and Solicitor General**  
**Government of Alberta**  
424 Legislature Building  
10800-97 Avenue  
Edmonton AB T5K 2B6

**Kent Teskey, QC**  
**President**  
**Law Society of Alberta**  
Suite 700  
333 11th Avenue SW  
Calgary AB T2R 1L9

To Minister Schweitzer and Mr. Teskey:

Pursuant to Sections 19.1(a) and 19.2(b) of the Governance Agreement Respecting Legal Aid, it is my pleasure to submit on behalf of the Board of Directors the 2019-2020 Legal Aid Alberta Annual Report for the fiscal year ending March 31, 2020.

At its core, Legal Aid Alberta exists to support Albertans' right to access to justice, particularly those who are most vulnerable and marginalized. We accomplish this through providing legal services in family law, domestic violence, child welfare and representation, immigration, and youth and adult criminal defense.

All of this work takes trained and dedicated staff, able and committed partners and stakeholders, and continued stable funding as provided to Legal Aid Alberta by the Alberta government and the Alberta Law Foundation. In 2019, the Alberta Law Foundation increased its funding commitment, allowing our organization to better serve those who would otherwise have little voice in the justice system. This is especially important given the COVID-19 pandemic, as we anticipate an increased need for legal aid services in the near future.

During the past year, the Board of Directors was busy with several key matters that will affect legal aid delivery in this province, including a major third-party review and assessment of Legal Aid Alberta's governance structure to ensure we are employing the best practices in governance. Our Governance Agreement with the Government of Alberta and the Law Society of Alberta, completed in 2019, contemplates such a review. The work is also very timely as Legal Aid Alberta approaches its 50th anniversary.

Since the review's completion and subsequent consideration by the Board, we have begun to implement the suggested improvements. I am confident these efforts will enhance the Board's ability to govern the organization, and our Board of Directors will be well-placed to ensure accountability and exceptional, transparent oversight of Legal Aid Alberta through these unprecedented times and into the future.

In addition, our Board of Directors – along with all other public sector boards in Alberta – had to quickly adapt and respond to the global COVID-19 pandemic to ensure we could continue our vital oversight role while also operating within Alberta Health guidelines and maintaining safety standards. We therefore moved to virtual board meetings with our CEO and senior executive team, along with virtual committee meetings and other functions accomplished through virtual platforms. We were impressed by the speed and efficiency with which Legal Aid Alberta management and staff reacted to the crisis and took immediate steps not only to ensure much-needed legal services continued to be available, but also to ensure the safety of staff by equipping them to do their jobs remotely.

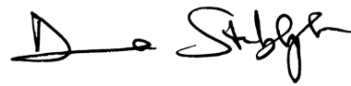
Legal Aid Alberta's financial performance is another key oversight

responsibility for our Board of Directors. I am pleased to report that the organization continues to be prudently funded, allowing it to fulfill its legislated responsibilities effectively, and to invest in information technology that will improve service and drive further efficiencies.

On behalf of the Board, I want to thank the leadership team and dedicated staff at Legal Aid Alberta, along with our roster lawyers and our other stakeholder partners, for their ongoing contributions. Without them, the organization could not fulfill its responsibilities and achieve its goals.

Finally, I want to acknowledge the important contributions of three members of the Board whose terms of service will come to an end in 2020: Peter Carter, Jim Donihee, and Graham Johnson. Each has brought their extensive expertise and unique perspective to the table and made a lasting impact that will help carry Legal Aid Alberta into the future. I thank them for all of their hard work, and also for their friendship and camaraderie. They will be missed.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Deanna Steblyk". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

**Deanna Steblyk, QC**

Chair, Board of Directors  
Legal Aid Alberta

# BOARD OF DIRECTORS

LAA's Board of Directors is responsible for ensuring that access to justice is afforded to those who are the most vulnerable in our society. Through sound governance practices, the Board supports our goal of providing legal services and expertise to individuals and the legal community to support fairness in the justice system.

The Board of Directors is composed of 11 directors, six of whom are practicing lawyers in Alberta and five who are members of the public with varying backgrounds and expertise. All members are appointed through a robust selection process as outlined in the LAA Governance Agreement and represent a broad and balanced range of experience and knowledge.

Using its experience and knowledge, the Board of Directors collaborates to ensure that LAA is serving the public good while being accountable to our funders and the public.

Direction and decisions of the Board of Directors and the strategic plan are implemented by the Executive Committee to support the legal aid business plan.

**Deanna Steblyk, QC, Chair**

Calgary, Alberta  
Director since 2015

**Peter A. Carter**

Edmonton, Alberta  
Director since 2014

**Nancy Peck**

Calgary, Alberta  
Director since 2016

**Ryan Callioux, Vice-Chair**

Edmonton, Alberta  
Director since 2016

**Jim Donihee**

Calgary, Alberta  
Director since 2014

**Hilary Rose**

Edmonton, Alberta  
Director since 2016

**Owen Edmondson**

Edmonton, Alberta  
Director since 2017

**Daryl Royer**

Edmonton, Alberta  
Director since 2017

**Christine Hutchinson**

Calgary, Alberta  
Director since 2017

**Michael Waite, QC**

Calgary, Alberta  
Director since 2018

**Graham Johnson**

Edmonton, Alberta  
Director since 2014

# MESSAGE FROM THE PRESIDENT AND CEO



## The last 12 months have been transformative for Legal Aid Alberta.

When we finalized our new Governance Agreement in 2019 with our partners, the Law Society of Alberta and the Government of Alberta, we committed to re-imagining the way we operate to refine our business processes to maximize our funding dollars—and ultimately enhance our services to clients. We also committed to strengthening our relationships with the stakeholders we work with every day in order to consistently build a better justice system for Albertans.

We share the goal of all Albertans to improve our systems and processes to optimize service delivery. Accordingly, I am pleased to report we have succeeded in redesigning a number of our service offerings to best meet the commitments we have made to our partners and clients.

## I will highlight a few key changes that we implemented this past year:

We partnered with a major telecommunications provider who believed in our mission and provided us with pro bono services, helping us implement a new province-wide telephone call-back system. This new service offering has allowed our clients to hold their place in the phone queue and receive a timely call-back from an intake team member without having to remain on the line. This service, combined with our new simplified application process, has streamlined our intake process and reduced our appointing times by an entire day. This has enabled us to better serve our clients at Legal Aid Alberta.

During the year we also launched a choice-of-counsel program that allows clients to choose their own lawyer, the first program of its kind in recent memory. As importantly, this new service increases access for Albertans by expanding the number of seasoned lawyers available in rural Alberta.

Our new family law processes reflect the principles in the Reforming Family Justice System Initiative spearheaded by the Alberta Branch of the Canadian Bar Association. We have established a family assessment team that carefully considers a client's legal issues and provides the right level of legal service, which may, or may not, include litigation in Alberta courts. This initiative has helped to resolve matters more expeditiously, reduce costs for clients, and lower the overall burden on Alberta's justice system.

Like all organizations, we had to quickly pivot in order to adapt to the public health emergency in Alberta due to the COVID-19 pandemic. We quickly re-established our IT and Call Centre operations to accommodate our staff to work from home, enabling them to stay productive and safe during the pandemic's opening weeks. We also participated in innovative virtual legal hearings, and led a new out-of-custody process to serve clients and help reduce backlogs in our courts in the future. In addition, our highly experienced family lawyers developed free electronic guides for Albertans on our website to help them navigate family issues when access to the courts was extremely limited.

The many redesign changes we had completed helped us efficiently respond to the challenges introduced by COVID-19, and support the complete overhaul of our operations to keep our staff and clients safe during the pandemic.

Finally, none of these changes would have been possible without Legal Aid Alberta's dedicated staff, as well as our committed roster lawyers and other stakeholders.

It is my strong belief that these and many other innovative changes undertaken by Legal Aid Alberta and our partners will continue to serve Albertans and enhance the Alberta justice system for years to come. Together, we continue to strive toward our vision of an Alberta where everyone is able to understand and protect their legal rights.

A handwritten signature in black ink, appearing to read 'John Panusa', written in a cursive style.

**Gianpaolo (John) Panusa**

President and CEO  
Legal Aid Alberta

# EXECUTIVE TEAM

LAA's executive team leads the organization's operations, policies, plans, and budgets to ensure they align with the strategic plan. Taking direction from the Board of Directors, this team ensures that LAA is fulfilling its mission of supporting fairness in the justice system.

## G. John Panusa

President & Chief Executive Officer

John is responsible for the overall operations of the organization and leads LAA's executive management team. He reports to the Board of Directors and is responsible for the executive planning and coordination of the province-wide legal aid plan and the Governance Agreement. He also represents the organization in dealing with Alberta Justice, the Law Society of Alberta, the Federal Government, other legal aid plans in Canada, the legal community at large, and the general public.

## Lyle Toop

Vice President, Human Resources, Communications and Change Leadership

Lyle oversees all aspects of Human Resources, Communications, and Organizational Change Management. This includes oversight and accountability for Human Resource Services, Payroll & Benefits, Labour Relations, Occupational Health Safety and Wellness, Internal/ External Communications and Strategic Planning.

## Doug Ingersoll

General Counsel and Advisory Counsel Services

Doug oversees LAA processes, training, and strategic initiatives to safeguard quality of services for clients. He also ensures that LAA conducts business to the highest ethical standards, aligns with best practices, and eliminates or mitigates all legal, regulatory and commercial risks. This includes managing high cost cases, providing legal advice to staff counsel on complex client matters, representing the interests of LAA or LAA clients at all levels of court and advising senior management on internal legal matters.

## Steve Burford

Vice President, Finance & Technology

Steve leads all Finance & Technology services within LAA and ensures that our systems and infrastructure enable our front-line staff to deliver high-quality legal services to our clients. This includes preparing budgets, business plans, and sustainability plans for the Board of Directors and LAA's funders. He oversees the Information Technology, Finance & Accounting, Project Management Office, Business Intelligence, Purchasing and Facilities/ Infrastructure Management departments.

## Lori Haughian

Vice President, Justice Services

Lori oversees all aspects of the client journey and is responsible for providing executive oversight to all Client Services functions within LAA. This includes Duty Counsel, Client Intake & Assessment, Appointing, Client Payments, and Certificate & Tariff Administration. She also guides and oversees the day-to-day operations of the Staff Law Offices and the Corporate Law & Case Management group. Lori also acts as the organization's Ombudsperson to lead and direct investigations of client or stakeholder service concerns and resolve issues.

# ABOUT LEGAL AID ALBERTA

Legal Aid Alberta (LAA) is a not-for-profit organization that provides legal representation and support for Albertans facing legal issues.

A registered society incorporated under the provincial Societies Act, LAA is independent from government but accountable to Alberta's Minister of Justice and Solicitor General and to the Law Society of Alberta.

LAA provides legal services to clients in support of fairness in Alberta's justice system – services that help ensure Albertans in all circumstances understand and can defend their legal rights.

The LAA service delivery model is a hybrid of staff and contractors. LAA staff provide highly specialized legal and other support services directly to Albertans, while the remaining services are provided by LAA roster lawyers. Members of the roster are independent Alberta lawyers who have registered with LAA to provide services on behalf of the organization.

Within our mandate, LAA is uniquely positioned to provide additional services that have a significantly positive impact on the justice system and the lives of Albertans. This includes services like duty counsel for all Albertans in courtrooms and elsewhere, services in support of emergency protection orders, services for Indigenous Albertans at the Siksika Nation, and support workers for youth and families in crisis.

LAA also provides legal services on behalf of Alberta Justice and the Solicitor General when it is directed to do so by Alberta courts.

Internally, LAA strives to be an employer of choice and a centre of excellence where employees are, and are recognized to be, some of the top experts in their fields. We are committed to sharing knowledge within the legal community, working to support improvements to the Alberta judicial system.

Working with our funding partners, stakeholders, and community, we provide targeted training for practicing Alberta lawyers and the legal community on a range of topics, with the goal of better outcomes for the clients they represent.

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## VISION, MISSION AND VALUES

The LAA vision statement focuses on tomorrow, on where we want to be, and the direction our organization is headed. Our mission statement focuses on today, and what we can do now to move towards our ideal future state.

### VISION

An Alberta where everyone is able to understand and protect their legal rights.

### MISSION

We provide legal services and expertise to individuals and the legal community to support fairness in the justice system.

### VALUES

Our organization strives to always focus on what matters, to stay true to our values in everything we do. These values are the underpinning of our organization, reflecting on what is truly important to us and guide us in the decisions we make every day.

### We Are One

We work together in a collaborative and supportive manner to deliver unwavering and innovative services to our clients as one unified organization.

### We Are Protectors

We serve Albertans, often the most vulnerable of us, and work tirelessly to protect their rights and to ensure a fair process.

### We Are Exceptional

We are experts at what we do and we continually strive for improvement.

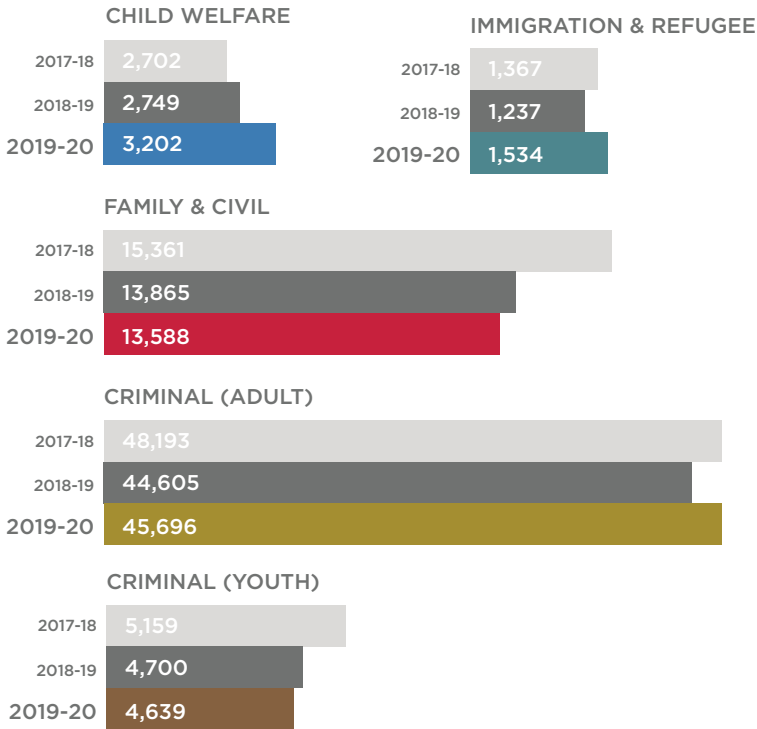
### We Are Independent

We operate and provide legal counsel free from outside involvement.



# NUMBERS AT A GLANCE

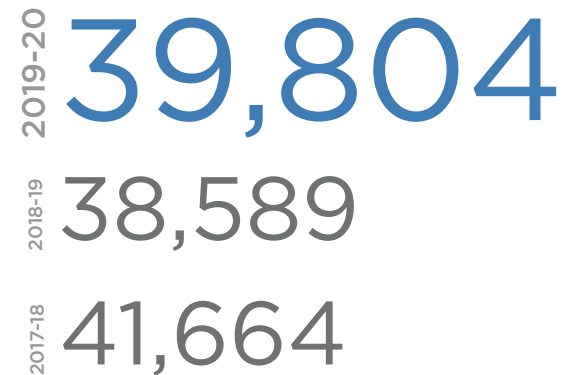
## ACTIVE REPRESENTATION CERTIFICATES



## BRYDGES CALLS



## DISTINCT REPRESENTATION OF CLIENTS



## AVERAGE TIME FOR LAWYER TO ACCEPT OFFER (DAYS)\*



\*with increased choice of counsel requests, acceptance time increases

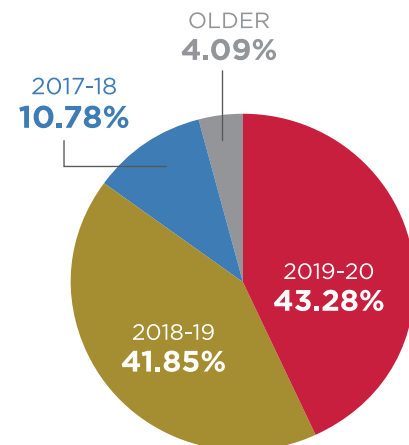
## AVERAGE AGE OF CLIENTS



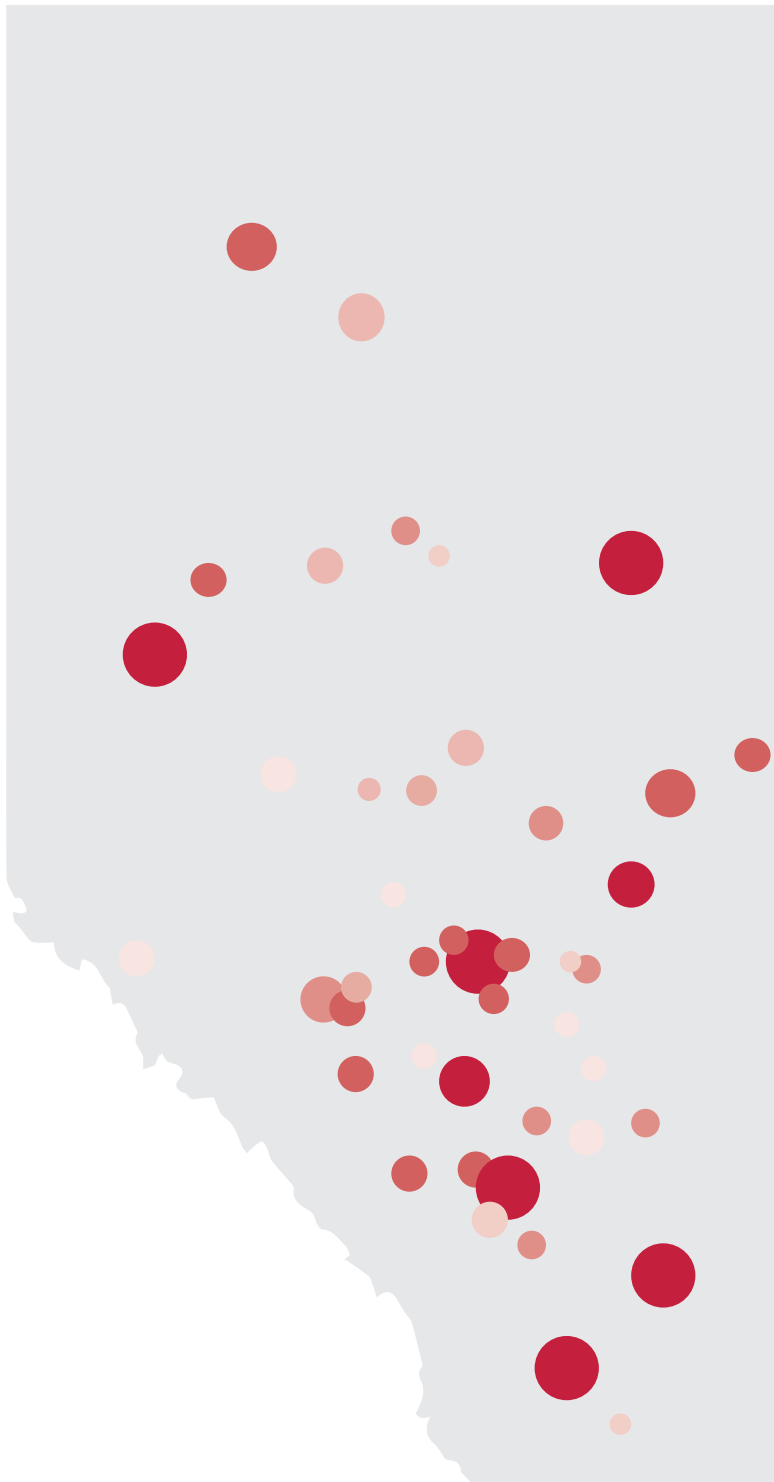
## AVERAGE ROSTER CERTIFICATE COST



## BILLINGS PER CERTIFICATE ISSUED FISCAL YEAR



# CERTIFICATES BY LOCATIONS



COURTHOUSE	ACTIVE REPRESENTATION CERTIFICATES	COURTHOUSE	ACTIVE REPRESENTATION CERTIFICATES
Edmonton	23,677	Fort Macleod	144
Calgary	18,232	Barrhead	132
Red Deer	3,224	Mayerthorpe	123
Lethbridge	2,279	Tsuut'ina Nation	123
Grande Prairie	1,648	Stettler	112
Medicine Hat	1,479	Wainwright	109
Wetaskiwin	1,416	Turner Valley	108
St. Paul	1,175	Taber	102
Fort McMurray	930	Red Earth Creek	98
Stony Plain	856	Glenevis (heard in Mayerthorpe)	90
Leduc	581	Boyle	88
Fort Saskatchewan	515	Vermilion	83
High Prairie	503	Breton	77
Siksika Nation	501	Evansburg	71
Sherwood Park	486	Fairview	59
Peace River	470	Grande Cache	59
Cold Lake	439	Killam	59
High Level	437	Rimbey	51
Rocky Mountain House	422	Fox Creek	48
Airdrie	421	Jasper	35
Whitecourt	402	Hanna	31
Cochrane	363	Falher	25
St. Albert	332	Coronation	24
Camrose	329	Supreme Court of Canada	17
Bonnyville	308	Fort Chipewyan	16
Lloydminster	307	Alberta Hospital Edmonton	11
Strathmore	305	Calgary Remand Centre	8
Edson	295	Spruce Grove	8
Cardston	277	Drumheller Institution	7
Wabasca-Desmarais	276	Edmonton Remand Centre	7
Hinton	274	Peter Lougheed Hospital Calgary	7
Brooks	272	Bowden Institution	6
Vegreville	256	Calgary Rockyview General Hospital	4
Lac La Biche	253	Edmonton Institution	3
Drayton Valley	245	Red Deer Remand Centre	3
Slave Lake	234	Assumption	2
Ponoka	221	Blackfalds	2
Drumheller	217	Calgary South Health Campus	2
Valleyview	203	High River	2
Pincher Creek	200	Calgary Foothills Hospital	1
Westlock	197	Edmonton Institution for Women	1
Okotoks	196	Grey Nuns Hospital	1
Didsbury	194	University of Alberta Hospital Edmonton	1
Fort Vermilion	194		
Morinville	189		
Canmore	163		
Chateh	156		
Athabasca	154		

# A YEAR OF TRANSFORMATION

LAA has started a thoughtful review and transformation of how services are most effectively delivered. As part of this process, several initiatives were completed and others are under way.

## Assessment Team

Established a legal team to provide legal analysis of matters during the application process to determine eligibility, and the appropriate type and the amount of coverage in alignment with the unique needs of the client.

## Brief Legal Advice

After reviewing each matter, the Family Service Assessment Team will provide eligible clients with brief legal advice on their options and information about resources available to them.

## Operational Reorganization

An operational review was performed with the goal of ensuring that all resources are adequately deployed throughout the organization to provide the services to clients in the most effective and efficient way.

## Roster Lawyer Travel

Updated our roster lawyer travel policies to align more closely with industry standards and practices, ensuring a more productive and positive relationship with roster lawyers.

## Enhanced Criminal Duty Counsel Provincial Court

Expanding duty counsel services in all courts with criminal matters to help maintain continuity of services for clients and help resolve matters without the issuance of a certificate.

## Likelihood of Imprisonment

Builds on the review of all bail requests to ensure that those citizens facing likelihood of imprisonment receive timely representation.

## Revised Authorization Request Process

Established a formal process that evaluates the rationale around all roster lawyer requests for changes to authorized tariff items, such as additional hours requests.

## Expanded Referrals to Partner Organizations

Expanded our referral network with key justice system partner organizations, such as Resolution and Court Administration Services (RCAS), to provide additional support for Albertans dealing with family law issues.

## Transfer Certificates

A new process allowing lawyers to transfer a certificate, with the client's consent, to another lawyer within the same law firm, eliminating appointing delays caused by the client requesting and awaiting a change of counsel.

## Duty Counsel Model

Staff lawyers will provide enhanced duty counsel services in more court locations to attempt to resolve issues before they go to trial.

## Choice of Counsel

Expanded client choice of counsel to a greater number of service offerings, increasing the speed at which clients get representation, and improving access to seasoned lawyers in rural Alberta.

## Enhanced Child Welfare Services

Initiated process to provide proactive pre-apprehension advice, regardless of income, or those facing imminent child apprehension.

## Comprehensive Merit Assessment for all Family Law Matters

Established a Family Services Assessment Team to evaluate all family matters in advance of providing certificate services to determine the most optimal level of service to provide based on the client's situation.

## Criminal Offense Level Categorization

Updated our criminal offense level categories to include the addition of the new 2.5 level to ensure that clients facing serious criminal charges receive appropriate and effective representation, and expanding lawyer choice for rural Albertans.

## Duty Counsel at First Appearance Bail Hearing

Worked with the Alberta Crown to create a process that gave Albertans duty counsel representation at first appearance bail hearings.

## Simplified Financial Assessment

A new process has been implemented to streamline our financial assessment intake procedures, enabling LAA to process applications more quickly.

## Roster Standards/Quality of Counsel

Initiated process of partnering with the Law Society of Alberta in establishing lawyer practice standards that may include some or all of: minimum years of experience, mandating attendance at LAA training sessions in certain areas of practice, and meeting required billing and client service standards.

# PROTECTING ALBERTANS

LAA helps Albertans who are dealing with various aspects of the legal system. We work with some of the most vulnerable in society while focusing on providing representation in situations where they are most needed. These situations include duty counsel, immigration, child welfare, domestic violence, child representation, high conflict clients, and adult and youth criminal matters. By focusing on these specific areas, we are able to fulfill a critical function and support fairness in the judicial system.

## Emergency Protection Orders

Family violence is an unfortunate reality for many Albertans. Our Emergency Protection Order (EPO) program helps victims of family violence protect themselves against an abuser. LAA EPO duty counsel lawyers help claimants understand and protect their legal rights by obtaining and confirming EPOs.

Through the program, claimants are provided with information about the court system and their options, referrals to other support organizations, and a lawyer to appear in court to get the order. This service provides immediate protection from family violence and is a critical tool to keep Albertans safe. There is no cost to access this service and there are no financial eligibility requirements —it is available to all Albertans.

### QUEEN'S BENCH EPO FILES OPENED

2017-18	2018-19	2019-20
1,828	1,933	1,949

## JP Bail

Arrest is a person's first contact with the criminal justice system, and is a crucial time to make informed, clear-headed decisions. Many Albertans are at a disadvantage when they are arrested. They can be too frightened, confused or overwhelmed to exercise their rights in this situation. Without immediate information and advice from experienced defence counsel, an arrested person has limited access to justice and may inadvertently forfeit his or her fundamental rights. This includes a person's right to a release hearing within 24 hours, which may be essential to the person's staying employed or being home for children.

LAA's Justice of the Peace (JP) bail duty counsel lawyers are available from 8:00 a.m. to midnight, 365 days per year, to inform, advise, and even represent arrested people in official court bail hearings, all by telephone. Launched in mid-2018, LAA's JP bail duty counsel section works collaboratively with the courts and Alberta Justice to make prompt and effective access to justice a reality for all Albertans, from their first point of contact with the justice system.

### JP BAIL HEARINGS

2018-19	2019-20
26,710	37,715



## Duty Counsel

Duty counsel is an integral part of our justice system and helps the court system proceed as efficiently as possible. Duty counsel lawyers provide immediate legal information, advice, and assistance in courtrooms across the province to people who attend court without a lawyer. Often, they speak on an individual's behalf in court. Their work focuses on helping unrepresented individuals navigate the court process and ensures that all Albertans understand their rights and can exercise them meaningfully. This service is free and available to all Albertans appearing in court regardless of their income.

LAA assigns duty counsel in docket courts in all Alberta criminal courts (adult and youth), and at institutional hearings, applications for confirmation of Emergency Protection Orders, mental health review panels, and therapeutic courts. Additionally, LAA provides duty counsel services for family matters being heard in Provincial Court and Queen's Bench.

### ISSUED CERTIFICATES

CERTIFICATE TYPE	2017-18	2018-19	2019-20
DUTY COUNSEL (SCHEDULED DATES)	11,162	12,034	10,772

### AVERAGE ROSTER CERTIFICATE COST

CERTIFICATE TYPE	2017-18	2018-19	2019-20
DUTY COUNSEL	\$620	\$723	\$754

## Criminal Adult

Access to justice is crucial to a fair and free democracy. In Alberta's justice system, meaningful access to justice usually requires a lawyer who understands and has experience in the area of law at hand. An unfortunate reality is that many people charged with criminal offences cannot privately retain counsel to defend them. A significant part of the work LAA does is related to adult criminal matters. Our lawyers, both staff and roster, work to provide access to justice to Albertans facing the very serious consequences of imprisonment, loss of livelihood, or removal from Canada.

A big part of that work is to ensure that clients' rights are respected, and that the justice system is running fairly and in accordance with its own rules and defining principles. When Albertans are in the frightening and vulnerable situation of facing criminal allegations, LAA's role is to give them the information, advice, and representation they need.

### ISSUED CERTIFICATES

LEVEL OF CERTIFICATE	2017-18	2018-19	2019-20
LEVEL 1	20,904	23,300	20,626
LEVEL 2/2.5	6,165	6,732	7,167
LEVEL 3	227	207	211
OTHER	542	657	537

### AVERAGE ROSTER CERTIFICATE COST

LEVEL OF CERTIFICATE	2017-18	2018-19	2019-20
LEVEL 1	\$1,078	\$1,058	\$1,152
LEVEL 2/2.5	\$2,403	\$2,463	\$2,586
LEVEL 3	\$13,170	\$14,598	\$21,685
OTHER	\$914	\$806	\$521

## Criminal Youth

The Youth Criminal Justice Act sets out Canada's policy for youth criminal justice. This includes recognition that young people have diminished moral blameworthiness and the right to enhanced procedural protection in a system separate from the adult criminal system. The Act also enshrines the right of all persons aged between 12 and 17 years charged with a criminal offence to have representation by a legal aid lawyer.

LAA has a dedicated team of lawyers who specialize in youth matters and provide legal representation to youth across Alberta. Recognizing that non-legal life issues are often part of what leads young people to be charged with offences, LAA also helps guide youth clients to supports that can help them identify and deal with such issues, which can often help improve outcomes in court.

### ISSUED CERTIFICATES

LEVEL OF CERTIFICATE	2017-18	2018-19	2019-20
LEVEL 1	2,311	2,214	1,910
LEVEL 2/2.5	571	779	801
LEVEL 3	8	10	6
OTHER	287	198	23

### AVERAGE ROSTER CERTIFICATE COST

LEVEL OF CERTIFICATE	2017-18	2018-19	2019-20
LEVEL 1	\$772	\$732	\$853
LEVEL 2/2.5	\$1,882	\$1,838	\$1,738
LEVEL 3	\$14,531	\$12,328	\$6,231
OTHER	\$782	\$1,228	\$1,247

## Family and Civil, and Child Welfare

LAA helps Albertans dealing with family law and child welfare matters by advising and guiding them through the legal system and representing them in court actions. LAA helps eligible Albertans with client protection, child welfare, representation of children, parental custody, access and parenting orders, and child and spousal support. When a vulnerable Albertan is involved with legal issues due to family breakdown, LAA can often help protect and exercise that Albertan's rights.

LAA's role is to help disadvantaged and vulnerable Albertans with legal issues they're facing, which includes limited matters related to civil law. In Alberta, a disabled or incapacitated adult can have another adult appointed as his or her guardian or trustee, to help the person with essential life decisions and functions. If a person is subject to an order like this and disagrees with the terms, LAA can help them through the court process, to ensure it proceeds fairly and equitably.

### ISSUED CERTIFICATES

CERTIFICATE TYPE	2017-18	2018-19	2019-20
CHILD WELFARE	1,536	1,714	1,928
FAMILY & CIVIL	6,594	7,097	5,741

### AVERAGE ROSTER CERTIFICATE COST

CERTIFICATE TYPE	2017-18	2018-19	2019-20
CHILD WELFARE	\$2,923	\$3,016	\$3,451
FAMILY & CIVIL	\$2,837	\$3,159	\$3,391

## Immigration and Refugee

Support for immigrants and refugees is an important part of the work LAA does to support the most vulnerable. Many of Alberta's residents came here from other countries, often to improve their lives, better provide for their families, or seek refuge from violence and persecution.

As such residents are not Canadian citizens, they sometimes require assistance in the areas of immigration or refugee law. To help ensure that these legal processes unfold fairly and according to law, LAA helps newcomer and non-citizen individuals with legal actions such as refugee claims, judicial reviews of refugee claims, detention reviews, and appeals, among others.

### ISSUED CERTIFICATES

CERTIFICATE TYPE	2017-18	2018-19	2019-20
IMMIGRATION & REFUGEE	1,091	883	1,137

### AVERAGE ROSTER CERTIFICATE COST

CERTIFICATE TYPE	2017-18	2018-19	2019-20
IMMIGRATION & REFUGEE	\$1,625	\$1,481	\$1,348

## Therapeutic Courts

Therapeutic courts support fairness in the justice system and offer alternative pathways out of the criminal justice system for certain individuals. LAA is a key partner and plays a vital role in Alberta's Mental Health Court, Drug Treatment Court, and Indigenous Court. By providing duty counsel and justice navigator support to these courts, we ensure consistent and effective justice alternatives for Albertans who are in contact with the criminal court system.

## Drug Treatment Court

The Drug Treatment Court (DTC) program is a justice alternative for drug-addicted offenders. Instead of serving jail time, participants complete a rigorous, court-monitored drug treatment program and are evaluated every week by the DTC team and the court for at least one year.

The objective is to rehabilitate offenders after they plead guilty by treating the underlying problems that led to addiction and the loss of control that led to criminality. Participants must adhere to strict guidelines and actively participate in treatment programs that support their recovery and return to the community. Successful graduates emerge from the program with the tools to continue their recovery, empowered to be productive members of society, and with a lower risk of recidivism.

LAA has provided duty counsel services to the DTC program since its inception in 2005 in Edmonton. Currently, we dedicate two duty counsel lawyers to DTC in Edmonton and Calgary.

## Mental Health Court

Mental Health Court (MHC) is a specialized criminal docket court designed for individuals who are in conflict with the law due to mental health issues. The program helps participants address the other complex issues they may be dealing with, such as homelessness, addictions, trauma, and poverty. This court uses a collaborative approach, by integrating health care and legal professionals, to break the cycle of crime for Albertans who are facing mental health challenges. LAA plays a vital part in the MHC process and ensures the court functions effectively, dedicating three duty counsel lawyers and three justice navigators to MHC.

## Indigenous Court

This court, located in Calgary, is the first of its kind in Alberta and deals primarily with bail and sentencing hearings while focusing on a holistic and restorative-justice approach to crime. Through peacemaking and culturally appropriate practices, this court serves Indigenous peoples in a way that reflects their culture in current laws and sentencing procedures. LAA currently dedicates one duty counsel lawyer to Calgary's Indigenous Court (CIC).



# STAFF PROFILES

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## A DAY IN THE LIFE OF AN ADULT CRIMINAL DUTY COUNSEL LAWYER

When an accused person attends court before securing a lawyer to represent them, they are usually confused and overwhelmed by our complex and adversarial court system. LAA provides duty counsel services in adult criminal docket courts across the province in an effort to level the playing field, ensure due process, and support fairness in the justice system.

Each day, LAA duty counsel lawyers are present in criminal docket courtrooms to inform, advise, and represent dozens of unrepresented Albertans. When an accused person attends court without a lawyer and needs legal support, our adult criminal duty counsel lawyers will:

- Interview them, finding out their circumstances and goal.
- Explain the system and their options within it.
- Advise them on what course(s) of action will most likely get them closest to their goal.
- Negotiate with the Crown towards the best or most fair outcome.
- Conduct their court appearance on record before the Judge or Justice, including guilty pleas.
- Present legal argument on their behalf in sentence hearings.
- Give them information they need for their next court date, including a to-do list and contact details for appropriate agencies.
- Record statistics about all the matters we have helped people with.
- Pass information on—if necessary—to the appropriate people concerning what happened in court.

LAA duty counsel lawyer Jessica Buffalo fulfills these responsibilities, in addition to supporting Calgary's Indigenous Court (CIC). The CIC provides a culturally relevant, restorative, and holistic approach to justice for Indigenous individuals, that addresses the unique challenges and circumstances of Indigenous People. CIC participants who do not have their own lawyer will be assisted by this duty counsel lawyer to support them in the court process.

**“In a system where many people cannot retain counsel, effective duty counsel is essential to court fairness and efficiency,” says Buffalo. “I am proud to work for an organization that ensures all Albertans have equal footing in the criminal justice system.”**







## A DAY IN THE LIFE OF A JP BAIL LAWYER

When someone is arrested, they must be brought before a Justice of the Peace (JP) within 24 hours of their arrest for a bail hearing. Before appearing in bail court, anyone arrested in Alberta can speak to a LAA JP bail duty counsel lawyer to get information and advice about how bail and the criminal court system work and—if they want—to have representation at the JP bail hearing.

Alberta's JP Bail Court is open from 8:00 a.m. to midnight, 365 days a year. In a typical day or evening, LAA JP bail duty counsel lawyers will:

- Check the virtual bail court system for the names of arrested people next in line for hearings and for details about their arrest and charges.
- Discuss with the Crown prosecutor to find out what they are seeking in the upcoming bail matters.
- Call the arrested person who is next in the queue for a hearing and talk to them about the charges and their situation and provide helpful legal information and advice.
- Call the people connected to the arrested person to obtain details and confirmation of the person's bail release plan.
- Negotiate with the Crown prosecutor to agree on details of the person's release from custody.
- Appear via telephone and videoconference in an official court hearing regarding the arrested person's release on bail.
- Confirm details of the person's release or confirm the person's desire to postpone speaking to the court about bail until a future date.
- If necessary, represent the arrested person in an official bail hearing, at the end of which a JP will decide whether the person will be released and—when appropriate—what bail conditions the person will have to obey while out on bail.

"In a very real and immediate sense the term duty counsel, especially in the JP bail program, also stands for damage control," says Wayne Webster, a JP bail lawyer based in Calgary. "We represent clients who have just been arrested and, almost always, want to get out of custody immediately. Without duty counsel, that impatience can backfire and make their situation worse. We do our best to help our clients avoid that outcome, which can easily happen when the prosecutor is opposing their release."

Often, JP bail lawyers will adjourn the matter and advise the client how to apply to legal aid to obtain their own representation. In this process, a key part of the lawyers' role and responsibility is to make a preliminary assessment as to their possible eligibility for legal aid coverage and to communicate that opinion promptly to the client services team.

**"Facilitating the appointment of counsel for those who could not otherwise afford legal representation is a crucial way in which the JP Bail program makes a vital difference to those who are disadvantaged in our criminal justice system," says Webster.**



## A DAY IN THE LIFE OF A **LAWYER WITH THE EPO TEAM**

LAA's Emergency Protection Order Program (EPOP) offered in Edmonton, Calgary, and Lethbridge, provides EPO claimants with a duty counsel lawyer to represent them in court throughout the EPO application and confirmation process. Since applying for an EPO can be an overwhelming, emotionally charged, and confusing process, EPOP makes the process easier and reduces those barriers.

Legal support through EPOP includes duty counsel services (legal advice, document preparation, commissioning of evidence, liaising with partners including police and court, and court representation) from the initial application hearing at the Provincial Court level through to review at the Court of Queen's Bench at the Chambers stage.

After a claimant has obtained an EPO in Provincial Court, the EPOP team will continue to assist them by:

- Reviewing documents and transcripts from the Provincial Court or JP proceedings.
- Contacting the claimant and discussing their instructions. There is often legal advice given about issues concerning parenting, divorce/separation, pets, and finances.
- Referring the claimant to apply for LAA coverage on the other issues or recommending they seek counsel if they do not qualify.
- Attending at Queen's Bench for the Review. As part of the process, the lawyer will touch base with opposing counsel to see if a negotiated resolution is possible.
- On occasion, if the EPO remains contested, the lawyer could end up representing the claimant in an oral hearing where verbal evidence is given at court to determine whether the EPO should remain in place.
- In addition to working with claimants, EPOP staff educate key stakeholders, such as the police services, victims' services and shelter staff, so they can better support victims of family violence.

**“We help victims of family violence feel protected and supported throughout legal proceedings that they may not be familiar or comfortable with” says Stephanie Ma, a lawyer with LAA’s EPO team. “I feel very fortunate to be a part of a team that assists some of the most vulnerable Albertans.”**

# COMMUNITY ENGAGEMENT AND TRAINING SESSIONS

## **Training & Community Engagement**

In addition to providing expert legal advice and representation, our LAA staff organized and facilitated several training sessions for external lawyers who provide services to LAA clients.

### **Indigenous Cultural Awareness Training** *October 2019*

To learn about Canada's Indigenous people and to help non-Indigenous Canadians and Indigenous peoples move toward reconciliation. This training provided an overview of the history of colonialism, effects of intergenerational trauma and the unique relationship existing between Indigenous people and the justice system.

### **Indigenous Cultural Awareness and Gladue Training**

*Calgary November 2019*  
*Edmonton December 2019*  
*Red Deer February 2020*

Indigenous Cultural Awareness with instruction on section 717.2(e), of the Criminal Code, including the law in Alberta as it relates to section 718.2(e), how to conduct a Gladue interview with a client, sentencing hearings, and resources available to counsel.

### **Emergency Protection Orders and Trauma Informed Practices in Domestic Violence Training**

*Edmonton November 2019*

To highlight Protection Against Family Violence month the EPOP Program hosted a training session on EPO practice and procedures in the Edmonton Courts. The session included guest speakers from the RCMP, Alberta Counsel of Women's Shelters, LAA roster counsel Dustin Tkachuk, Assistant Chief Judge Ken Holmstrom from the Alberta Provincial Court and Justice Debbie Yungwirth from the Court of Queen's Bench.

### **Legal Implications of Bill C-92 An Act Respecting First Nations, Inuit and Metis Children, Youth and Families**

*December 2019*

Hosted and facilitated by LAA, this training session was conducted by Professor Hadley Friedland and Koren Lightening-Earle from Wahkohtowin Lodge at the University of Alberta Law School. It concerned federal legislation that came into effect on January 1, 2020 to provide minimum standards for child welfare services for Indigenous children and families in response to the Truth and Reconciliation recommendation regarding the need for new child welfare legislation with respect to Indigenous families.

### **Detention Review Training**

*Calgary February 2020*  
*Edmonton February 2020*

A specialized training provided by Immigration lawyer, Juliette Ukpabi, focused on providing roster counsel guidance on how to prepare for and run a detention review.





## FROM STUDENT TO STAFF LAWYER

Our role in the professional development of aspiring lawyers through the LAA Articling Student Program is central to our goal of being a centre of excellence in all that we do. As an organization, we are in a unique position give back to the legal community through experience and mentorship of law students like Bobbi Jo Hennigar

During her one-year articling term in Edmonton, Bobbi Jo worked with lawyers and other staff members to serve clients. This included assisting as duty counsel for criminal, family and EPOs. While working under the supervision of a senior staff lawyer, she gained hands-on experience working with our clientele to achieve access to justice. Through this program, Bobbi Jo expanded her knowledge and work experience by completing duties such as attending court, providing legal advice, researching files, and drafting legal documents.

**“The Articling program with Legal Aid Alberta was instrumental in developing my legal skills,” she said. “It is clear at all stages, the staff and lawyers at Legal Aid Alberta are dedicated to assisting clients, who are often the most vulnerable in society, navigate a complex legal system. Each person I was able to work with often had a different approach and perspective which has allowed me to benefit from their experiences.”**

In August 2019, Bobbi Jo was called to the Bar. A month later she stepped into a full-time role with LAA as a lawyer serving Albertans in Fort McMurray and the remote community of Fort Chipewyan, with the full support of our expert criminal lawyer team.

LAA lawyers focus on providing enhanced, exceptional, consistent, and unparalleled legal representation for unrepresented individuals in courtrooms across Alberta. In this role, Bobbi Jo helps Albertans understand and protect their legal rights by being a consistent point of first contact for clients, guiding them through the legal process and next steps, assisting with court applications, including bail hearings and resolutions, and providing further representation where appropriate.

# FINANCIAL STATEMENTS

# The Legal Aid Society of Alberta

Financial statements  
March 31, 2020



# Independent auditor's report

To the Board of Directors of  
**The Legal Aid Society of Alberta**

## Opinion

We have audited the financial statements of **The Legal Aid Society of Alberta** [the "Society"], which comprise the statement of financial position as at March 31, 2020, and statements of changes in net assets (liabilities), revenue and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Legal Aid Society of Alberta as at March 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organization.

## Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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.

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 generally accepted auditing standards 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 generally accepted auditing standards, 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Edmonton, Canada  
June 23, 2020

*Ernst & Young LLP*

Chartered Professional Accountants





# The Legal Aid Society of Alberta

## Statement of financial position

[in thousands of dollars]

As at March 31

	2020	2019
	\$	\$
<b>Assets</b>		
<b>Current</b>		
Cash and restricted cash <i>[note 3]</i>	20,057	12,665
Accounts receivable	—	28
Goods and Services Tax receivable	636	937
Prepaid expenses	89	133
<b>Total current assets</b>	<b>20,782</b>	<b>13,763</b>
Capital assets, net <i>[note 4]</i>	3,495	6,306
	<b>24,277</b>	<b>20,069</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	4,859	3,782
Accrued vacation pay	1,266	1,158
Current portion of deferred lease inducements	420	408
Provision for unbilled services provided on outstanding certificates <i>[note 5]</i>	13,150	12,650
<b>Total current liabilities</b>	<b>19,695</b>	<b>17,998</b>
Deferred contributions <i>[note 6]</i>	8,500	5,823
Deferred lease inducements	1,013	1,400
<b>Total liabilities</b>	<b>29,208</b>	<b>25,221</b>
Commitments and contingencies <i>[notes 5 and 7]</i>		
<b>Net assets (liabilities)</b>		
Internally funded capital assets	3,495	6,306
Unrestricted	(8,426)	(11,458)
<b>Net assets (liabilities)</b>	<b>(4,931)</b>	<b>(5,152)</b>
	<b>24,277</b>	<b>20,069</b>

See accompanying notes

On behalf of the Board of Directors:



Deanna Steblyk  
Chair, Board of Directors  
Legal Aid Alberta



Hilary Rose  
Director, Board of Directors  
Legal Aid Alberta

The Legal Aid Society of Alberta

**Statement of changes in net assets (liabilities)**

[in thousands of dollars]

Year ended March 31

	<b>2020</b>		
	<b>Internally funded capital assets</b>	<b>Unrestricted</b>	<b>Total</b>
	\$	\$	\$
<b>Balance, beginning of the year</b>	<b>6,306</b>	<b>(11,458)</b>	<b>(5,152)</b>
Excess of revenue over expenses	—	221	221
Purchases of capital assets	420	(420)	—
Amortization of capital assets	(3,231)	3,231	—
<b>Balance, end of the year</b>	<b>3,495</b>	<b>(8,426)</b>	<b>(4,931)</b>
	<b>2019</b>		
	<b>Internally funded capital assets</b>	<b>Unrestricted</b>	<b>Total</b>
	\$	\$	\$
<b>Balance, beginning of the year</b>	7,939	(14,210)	(6,271)
Excess of revenue over expenses	—	1,119	1,119
Purchases of capital assets	879	(879)	—
Amortization of capital assets	(2,512)	2,512	—
<b>Balance, end of the year</b>	<b>6,306</b>	<b>(11,458)</b>	<b>(5,152)</b>

See accompanying notes

# The Legal Aid Society of Alberta

## Statement of revenue and expenses

[in thousands of dollars]

Year ended March 31

	2020	2019
	\$	\$
<b>Revenue</b>		
Province of Alberta	91,800	104,100
Alberta Law Foundation grant - statutory	5,098	—
Alberta Law Foundation grant - special	8,500	—
Recoveries from clients	4,511	4,708
Interest and other	1,166	1,073
<b>Total revenue</b>	<b>111,075</b>	<b>109,881</b>
<b>Expenses</b>		
Roster		
Legal aid fees and disbursements		
Criminal adult	42,116	39,639
Family and civil	17,382	16,563
Duty counsel	3,954	4,502
Child welfare	3,574	3,016
Criminal youth	1,702	1,373
Immigration and refugee	532	450
	<b>69,260</b>	<b>65,543</b>
Increase in provision for unbilled services provided on outstanding certificates <i>[note 5]</i>	500	4,710
	<b>69,760</b>	<b>70,253</b>
Other program expenses <i>[note 8]</i>		
Legal representation - staff lawyers	25,752	23,544
Client services – intake and assessment	6,877	6,463
Management, general, and administration	8,465	8,502
	<b>41,094</b>	<b>38,509</b>
<b>Total expenses</b>	<b>110,854</b>	<b>108,762</b>
<b>Excess of revenue over expenses</b>	<b>221</b>	<b>1,119</b>

See accompanying notes

# The Legal Aid Society of Alberta

## Statement of cash flows

[in thousands of dollars]

Year ended March 31

	2020	2019
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses	221	1,119
Items not involving cash		
Amortization of capital assets	3,231	2,512
Amortization of leasehold inducements	(375)	(416)
Provision for unbilled services	500	4,710
Changes in non-cash operating working capital		
Accounts receivable	28	136
Goods and Services Tax receivable	301	(291)
Prepaid expenses	44	39
Accounts payable and accrued liabilities	1,077	995
Accrued vacation pay	108	111
<b>Cash provided by operating activities</b>	<b>5,135</b>	<b>8,915</b>
<b>Investing activities</b>		
Purchases of capital assets	(420)	(879)
<b>Cash used in investing activities</b>	<b>(420)</b>	<b>(879)</b>
<b>Financing activities</b>		
Restricted contributions received for reserve	2,677	4,823
<b>Cash provided by financing activities</b>	<b>2,677</b>	<b>4,823</b>
<b>Net increase in cash during the year</b>	<b>7,392</b>	<b>12,859</b>
Cash, beginning of year	12,665	(194)
<b>Cash, end of year</b>	<b>20,057</b>	<b>12,665</b>

See accompanying notes

# The Legal Aid Society of Alberta

## Notes to financial statements

[dollar amounts in thousands]

March 31, 2020

### 1. The organization

The Legal Aid Society of Alberta [the "Society"], registered as a society under the laws of the Province of Alberta, operates by agreement between the Society, the Law Society of Alberta and the Ministry of Justice and Attorney General of the Province of Alberta to assist individuals of modest means in obtaining legal services in criminal and civil matters. The current governance agreement became effective April 1, 2019 and expires on March 31, 2024. Under the provisions of the *Income Tax Act* (Canada), the Society is exempt from income tax.

### 2. Significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which constitutes generally accepted accounting principles for not-for-profit organizations in Canada, and includes the significant accounting policies described hereafter.

#### Revenue recognition

The Society's primary sources of funding are contributions from the Province of Alberta, a statutory contribution from the Alberta Law Foundation, per the Legal Profession Act, of 25% of the interest it receives on lawyers' pooled trust accounts, and special contributions as agreed from time to time, recoveries from clients, and interest and other income.

The Society follows the deferral method of accounting for contributions. Contributions are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Externally restricted contributions for the acquisition of capital assets are recorded as deferred capital contributions and recognized as revenue as the related assets are amortized over their useful lives. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as a direct increase in net assets.

Recoveries from client recipients of legal aid services cannot be reasonably estimated in advance due to the uncertainty of collection. Accordingly, these recoveries and contributions are recorded as revenue when received.

Interest and other income are recognized as revenue when earned.

#### Expense recognition

Legal aid fees and disbursements are eligible for payment in respect of services authorized on issued legal aid certificates. The Society records the estimated value of services provided, but not submitted for payment, on outstanding certificates in the period in which the services are provided. Legal expenses include amounts billed to the Society by lawyers and an estimate of amounts for work performed but not yet billed.

# The Legal Aid Society of Alberta

## Notes to financial statements

[dollar amounts in thousands]

March 31, 2020

### Allocation of other program expenses

The expenses of each function include personnel and other expenses that are directly related to the function. General support and other expenses are not allocated, except for rent, which is allocated to functions by head count.

### Financial instruments

Financial instruments, including accounts receivable, goods and services tax rebate receivable, accounts payable and accrued liabilities, and accrued vacation pay, are initially recorded at their fair value and are subsequently measured at amortized cost, net of any provisions for impairment.

### Cash and restricted cash

Cash and restricted cash include cash and restricted cash related to deferred contributions.

### Capital assets

Purchased tangible and intangible assets are recorded at acquisition cost. Contributed tangible and intangible capital costs are recorded at fair value at the date of the contribution. Amortization is determined using the following annual rates and methods over the estimated useful lives of the assets as follows:

#### *Tangible assets*

Furniture and equipment	Straight-line over 7 years
Computer hardware	Straight-line over 4 years
Leasehold improvements	Straight-line over term of lease

#### *Intangible assets*

Computer software	Straight-line over 4 years
-------------------	----------------------------

Amortization for Software has been revised to 4 years as management believes this is a better estimate of its useful life [2019 – 5 years]. The effect of the change in estimate is an increase in amortization expense of \$948 for the year ended March 31, 2020.

### Deferred lease inducements

Deferred lease inducements represent leasehold improvement allowances paid or payable by landlords. Such inducements are amortized on a straight-line basis over the remaining term of the lease and recorded as a reduction of rent expense.

The Legal Aid Society of Alberta

**Notes to financial statements**

[dollar amounts in thousands]

March 31, 2020

**3. Cash and restricted cash**

Restricted cash relates to deferred contributions [note 6].

	<b>2020</b>	<b>2019</b>
	\$	\$
Cash	<b>11,557</b>	6,842
Restricted cash	<b>8,500</b>	5,823
	<b>20,057</b>	12,665

**4. Capital assets**

	<b>2020</b>		<b>2019</b>	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Cost</b>	<b>Accumulated amortization</b>
	\$	\$	\$	\$
<b>Tangible assets</b>				
Furniture and equipment	<b>326</b>	<b>88</b>	1,385	1,119
Computer hardware	<b>1,853</b>	<b>1,302</b>	1,847	904
Leasehold improvements	<b>3,092</b>	<b>1,490</b>	2,784	1,110
	<b>5,271</b>	<b>2,880</b>	6,016	3,133
<b>Intangible assets</b>				
Computer software	<b>6,585</b>	<b>5,481</b>	6,918	3,495
	<b>11,856</b>	<b>8,361</b>	12,934	6,628
<b>Net book value</b>		<b>3,495</b>		6,306

During the year the Society removed the cost and accumulated amortization of fully amortized assets as follows: furniture and equipment \$1,087, computer hardware \$1, computer software \$345, and leasehold improvements \$65.

# The Legal Aid Society of Alberta

## Notes to financial statements

[dollar amounts in thousands]

March 31, 2020

### 5. Provision for unbilled services provided on outstanding certificates

The provision for services provided by roster that have not been billed on outstanding certificates is estimated at year-end using a method that incorporates historical average costs and time frames to complete similar cases. The total expense for the year ended March 31, 2020 related to the increase in provision for unbilled services provided on outstanding certificates was \$500 [2019 – \$4,710]. As at March 31, 2020, the Society had approximately 22,125 [2019 – 21,937] outstanding certificates issued to roster with an estimated liability of \$13,150 [2019 – \$12,650].

The estimated liability is subject to measurement uncertainty. Measurement uncertainty exists when there is a variance between the recognized amount and another reasonably possible amount. Due to the uncertainty involved in the estimation process, there will likely be a difference between the estimated and actual liability and the difference may be material.

In addition to the liability for unbilled services provided to March 31, 2020 on outstanding roster certificates, the Society estimates the future costs to complete roster and Society lawyer certificate files. As at March 31, 2020, there is an estimated \$27,218 [2019 – \$27,130] that will be incurred on approximately 23,973 [2019 – 25,194] outstanding certificates issued to roster and Society's lawyers over and above both the billings paid to date and work performed but not yet billed. Due to the uncertainty in the estimation process, there will likely be a difference between the estimated and actual costs to complete outstanding certificates and the difference may be material.

### 6. Deferred contributions

The current governance agreement ending March 31, 2024 requires that the Society defer and hold grant amounts received from the Alberta Law Foundation, to a maximum amount agreed with the Province of Alberta [currently \$8.5 million], for non-forecasted or unbudgeted costs.

	2020		2019	
	Province of Alberta	Alberta Law Foundation	Total	Total
	\$	\$	\$	\$
<b>Balance, beginning of the year</b>	<b>1,000</b>	<b>4,823</b>	<b>5,823</b>	1,000
Amounts received during the year	—	<b>2,677</b>	<b>2,677</b>	4,823
<b>Balance, end of the year</b>	<b>1,000</b>	<b>7,500</b>	<b>8,500</b>	5,823



## The Legal Aid Society of Alberta

### Notes to financial statements

[dollar amounts in thousands]

March 31, 2020

#### 7. Commitments and contingencies

##### [a] Commitments

The Society is committed under operating leases for office premises to make annual payments in the following amounts for the next five years and thereafter:

	\$
2021	2,249
2022	2,316
2023	2,278
2024	2,066
2025	516
Thereafter	4,025
	<u>13,450</u>

##### [b] Contingencies

During the ordinary course of business activities, the Society may be contingently liable for litigation and claims from clients, suppliers and former employees. Management believes that adequate provisions have been made in the accounts where required. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes that the ultimate resolution of such contingencies will not have a material adverse effect on the financial position or results of operations of the Society.

#### 8. Other program expenses

Other program expenses reflected in the statement of revenue and expenses, classified by object, are as follows:

	2020	2019
	\$	\$
Salaries and benefits	<b>32,156</b>	30,495
Amortization of capital assets	<b>3,231</b>	2,512
Occupancy	<b>2,078</b>	2,124
Outside services	<b>1,368</b>	1,000
Computer	<b>612</b>	903
Office operating and supplies	<b>645</b>	556
Travel	<b>333</b>	252
Legal disbursements	<b>241</b>	238
Communication	<b>232</b>	230
Goods and Services Tax not refundable	<b>198</b>	199
	<u><b>41,094</b></u>	<u>38,509</u>

## The Legal Aid Society of Alberta

### Notes to financial statements

[dollar amounts in thousands]

March 31, 2020

Occupancy expense has been allocated to other program expenses as follows:

	<b>2020</b>	<b>2019</b>
	\$	\$
Legal representation – staff lawyers	<b>1,252</b>	1,348
Client services - intake and assessment	<b>431</b>	430
Management, general, and administration	<b>395</b>	346
	<b>2,078</b>	2,124

#### 9. Related parties

Certain members of the Board of Directors provide certificate services to the Society. These legal services are provided in the regular course of business under the same tariff of fees as other lawyers. During the year, directors provided certificate services of \$435 [2019 – \$476] to the Society and their respective firms provided additional certificate services of \$944 [2019 – \$749].

#### 10. Trust accounts

As part of its normal professional practice, the Society administers trust money, on behalf of its clients, that is maintained in separate trust accounts and deposits. The Society has no beneficial interest in these trust accounts and deposits, except to the extent that fees for services rendered and disbursements on behalf of the client may be paid therefrom. These amounts are not recorded in the financial statements of the Society. The balances of trust accounts and deposits as at March 31, 2020 amounted to \$224 [2019 - \$501].

#### 11. Financial instruments

##### Credit risk

The Society's exposure to credit risk, represented by the carrying amount of accounts receivable, results from the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. The Society monitors outstanding balances regularly and allows for uncollectible amounts when determined.

##### Liquidity risk

The Society is exposed to the risk that it will encounter difficulty in meeting obligations associated with its financial liabilities.

**The Legal Aid Society of Alberta**

**Notes to financial statements**

[dollar amounts in thousands]

March 31, 2020

**12. COVID-19**

Beginning in March 2020, the outbreak of the Coronavirus disease (“COVID-19”) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, nor is the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions. As a result, it is not possible to reliably estimate the length and severity of these developments nor the impact on the financial position and financial results of the Society in future periods.