

Legal Aid BC

2021/22
Annual Service Plan Report

August 2022



For more information on Legal Aid BC contact:

400 – 510 Burrard Street
Vancouver, BC V6C 3A8

604-601-6000

Or visit our website at

legalaidsbc.ca

Published by Legal Aid BC

Board Chair's Accountability Statement



The *Legal Aid BC 2021/22 Annual Service Plan Report* compares the corporation's actual results to the expected results identified in the *2021/22 – 2023/24 Service Plan* created in April 2021. I am accountable for those results as reported.

A handwritten signature in black ink, appearing to read 'Karen Christiansen'.

Karen Christiansen, FCPA, FCA
Chair, LABC Board of Directors
July 25, 2022

Table of Contents

Board Chair’s Accountability Statement	3
Letter from the Board Chair & CEO.....	5
Purpose of the Annual Service Plan Report.....	7
Purpose of the Organization.....	7
Strategic Direction	8
Operating Environment.....	8
Report on Performance: Goals, Objectives, Measures and Targets.....	9
Financial Report.....	20
Discussion of Results.....	20
Revenue.....	20
Expenses	21
Financial Summary	22
Variance and Trend Analysis.....	23
Risks and Uncertainties.....	23
Capital Expenditures.....	23
Appendix A: Additional Information.....	24
Appendix B: Legal Information and Education Services	25
Appendix C: Other Performance Highlights.....	26
Appendix D: Auditor’s Report and Audited Financial Statements	28

Letter from the Board Chair & CEO

We are pleased to present Legal Aid BC's (LABC) 2021/22 Annual Service Plan Report, which summarizes how we advanced our Service Plan goals in alignment with LABC's Mandate Letter from the Attorney General dated April 2021.

Once again in 2021/22, the COVID-19 pandemic impacted British Columbians who were seeking our help with their legal matters. Once again LABC met the demand with legal aid services to British Columbians. Despite the challenges of the pandemic, people could still apply for legal aid by phone — but also in person, when feasible, at our Parents Legal Centres (for early resolution of child protection matters), and at our legal aid applications office in Vancouver. Keeping the safety of employees and the public in mind, along with the knowledge that many people we serve prefer in-person assistance, these services were resumed in accordance with public health office guidelines.

Legal representation and advice services continued to help thousands with their criminal, family and child protection matters, mostly by phone and video. With courts restricting in-person attendance in most areas of the province, calls to our Family LawLINE increased. By maintaining expanded advice service hours, we were able to connect British Columbians to much-needed family lawyers. LABC's ongoing participation in the ministry's Northern Virtual Bail pilot project meant duty counsel were able to successfully assist criminal clients.

We were especially happy to get the results of a third-party evaluation of our criminal early resolution service – a new innovative approach that provides pre-trial criminal legal services to render better results for defendants without the added cost of a trial. It showed the “CERCs” (criminal early resolution contracts) were making a positive difference in the lives of those who would otherwise not be eligible for full legal representation. In short, we saw less court time, less guilty pleas, and more divergence. Since introduced, CERCs have been issued in about 10% of all adult criminal legal aid applications received by LABC, and the cases were more likely to be resolved through alternative measures than our standard adult criminal contracts. CERCs also resulted in quicker resolutions than standard contracts, helping people to get on with their lives sooner.

LABC is keen to play our role to implement the BC First Nations Justice Strategy. We signed a Memorandum of Understanding with the BC First Nations Justice Council (BCFNJC) in early 2022, establishing a collaborative relationship between the two organizations and paving the way for the future transfer of legal aid services for Indigenous people to the BCFNJC. By sharing its knowledge, LABC hopes to contribute to its successful implementation.

LABC is determined to significantly grow our commitment to equity, inclusion, diversity, and anti-racism. In 2021/22, LABC embarked on an Equity, Diversity, and Inclusion initiative, which started with EDI training for the board and executive and included training for staff at every level of the organization. EDI audits and benchmarking have been completed, to help LABC implement the best and most sustainable EDI practices in the most strategic sequence.

In 2021, the organization also initiated an IT modernization project, starting with moving our Client Information System and Lawyer Portal to the cloud. Over the longer term, the project will ensure our systems can better serve clients online.

Over the past year, LABC employees demonstrated resilience yet again, adapting to new tools to enhance working remotely, and supporting the organization to help people struggling with legal issues. We also saw the retirement of long-time CEO Mark Benton, QC, and welcomed a new CEO in January 2022. After a competitive national search, the LABC Board announced former Attorney General of Ontario and lawyer Michael Bryant would step into the CEO role, bringing a keen appreciation for the importance of legal aid services on people's lives.

We would like to thank the Attorney General and ministry staff for 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 25, 2022

Michael J. Bryant



Chief Executive Officer, LABC
July 25, 2022

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 Parents Legal Centres (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 2020 and expanded upon in the Board Chair's [2021-22 Mandate Letter](#) from the Minister Responsible shaped the goals, objectives, performance measures, and financial plan outlined in the [2021/22 Legal Aid BC Service Plan](#) as well as actual results reported on in this annual report.

Operating Environment

The COVID-19 pandemic continued to significantly impact the operation of the justice system and access to justice, requiring ongoing changes to legal aid operations and services and also how our courts and justice system colleagues operate and deliver services to the public. LABC supported and influenced those changes by participating in the Ministry's Justice Recovery initiative and related working groups, supporting province-wide implementation of the new Provincial Court Family Rules and the development and implementation of virtual bail. LABC also worked with various government ministries and stakeholders to expand digital delivery of core services focused on improving service delivery.

In 2021/22, LABC continued to review our business processes and design a long term flexible workplace model which offers the opportunity to make processes simpler and more effective, and achieve savings on administrative costs and other indirect expenditures. It also provides a unique opportunity for hiring and retaining skilled staff from all regions of the province. A pilot implementation of the model began in late 2021/22, after being postponed due to recurring waves of COVID-19 and changing public health orders.

LABC continued to participate in policy consultations with the MAG and Association of Legal Aid Lawyers (ALL) to seek ALL's input on legal aid policy matters, as well as justice initiatives that relate to the delivery of legal aid. LABC also supported, and continues to support, negotiations for the renewal of the Tariff agreement between the BC Government and ALL, which expired on March 31, 2022.

LABC continued its work to influence changes that improve access to justice for Indigenous people, including working with the MAG and with Indigenous leadership, organizations and communities to support implementation of Indigenous justice strategies. In February 2022, LABC and the BCFNJC signed a Memorandum of Understanding regarding implementation of the BC First Nations Justice Strategy.

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 and partners, the ministry, and other stakeholders. The Indigenous Services Division leads 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, Grand Chief Ed John’s report on child welfare, and the Calls for Justice in the Final Report of the National Inquiry into Missing and Murdered Indigenous Women and Girls. In 2018, LABC began implementation of a five-year Reconciliation Action Plan that identifies specific strategies and actions to advance these aims.

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

Key Highlights

- Hosted virtual training sessions on Indigenous topics, including taking a trauma informed approach, Gladue reports, and developments in Indigenous law. Sessions were attended by a total of 355 staff, legal aid lawyers and Community Partners.
- Hosted a virtual event on National Truth and Reconciliation Day, attended by 124 staff.
- Staff from PLCs attended various cultural competency training courses, including the Vancouver Indigenous Justice Forum and the Law Society’s pilot roll out of the Indigenous Intercultural Course.
- As part of our EDI initiative, staff, management, and LABC Board members attended training on intercultural fluency.

Performance Measure(s)	2017/18 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
1.1a Percent of Indigenous clients who say they received culturally appropriate legal aid services	67% ¹	54% ²	—	—	60%	—

Data source: Biennial LABC Client Survey

¹ 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.

² 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.

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. There is no data on this performance measure to report for 2021/22 as our biennial client survey was not conducted this year; the next client survey is scheduled for 2022/23. Results from LABC’s ongoing Intake Exit

Survey indicate that over 85% of respondents self-identifying as Indigenous thought LABC staff were knowledgeable, competent and treated them fairly. LABC continued to build the cultural competency of LABC employees and service providers this year, and considers this objective on track.

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

Key Highlights

- LABC and the BCFNJC signed a Memorandum of Understanding in February 2022 confirming the establishment of a collaborative relationship to implement the BC First Nations Justice Strategy (FNJS). Information sharing is a key part of this stage of the implementation. In 2021/22, LABC shared all policy and processes developed for the LABC Gladue Report Program and responded to information requests, including hosting 17 one-hour sessions on LABC operations for BCFNJC staff and consultants. LABC also provided support to staff from the Indigenous Justice Policy and Legislation Division of MAG through sharing of information about legal aid services and First Nations/Indigenous Courts.
- During 2021/22, LABC began liaising with Métis Nation British Columbia (MNBC) to explore how LABC could support the implementation of the Métis Justice Strategy.

Performance Measure(s)	2017/18 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
1.2a Percent of Indigenous clients who say legal aid met their needs overall	63% ¹	67% ²	—	—	69%	—

Data source: Biennial LABC Client Survey

¹ Restated (baseline of 76% reported in 2019 Annual Service Plan Report; this has been modified for consistency in reporting methodology with performance measure 2.2a)

² 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.

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. There is no data on this performance measure to report for 2021/22 as our biennial client survey was not conducted this year; the next client survey is scheduled for 2022/23. However, LABC received the final report from an assessment of the legal needs of Indigenous women and girls in BC conducted by Indigenous consulting firm Corfield and Associates and guided by an Indigenous Advisory Committee. The report, “Ways for LABC to Enhance Legal Aid Services for Indigenous Women and Girls in BC: Voice of the Women,” identifies gaps in legal aid and other

justice services for Indigenous women and provides recommendations to LABC on how to better meet the criminal legal aid needs for Indigenous women. These are under review.

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

Key Highlights

- Alongside the BCFNJC, LABC participated in the working group regarding the transition of legal aid services from LABC to the BCFNJC.
- 116 Indigenous people attended workshops and conferences hosted by LABC.
- 28 Indigenous clients were interviewed for publications and website testing.
- PLC staff participated in 294 engagement activities with Indigenous communities. PLCs stayed 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. Engagement throughout the year was through a mix of in-person and virtual due to pandemic restrictions on in-person meetings and gatherings.

Performance Measure(s)	2018/19 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
1.3a Number of people reached through engagement activities LABC held with Indigenous people and communities	1,786	2,185	2,600	2,703	TBD ¹	TBD ¹

Data source: LABC operational data (annual measure)

¹ No targets have been set for future periods because the impacts of COVID-19 on engagement activities are persisting, and there is a high degree of uncertainty as to how long they will continue.

Discussion of Results

During 2021/22, the COVID-19 pandemic continued to have an impact on LABC engagement activities with Indigenous people and communities. Despite a mix of in-person and virtual engagement throughout the year, LABC exceeded the target set for 2021/22 and went well beyond the level of results achieved in 2020/21.

LABC’s activities to support the implementation of Indigenous justice strategies through our relationships with the BCFNJC, MNBC, and the BC Native Courtworker and Counselling Association of BC, which are reflected in PM 1.3a, are essential to meeting objective 1.3 and advancing reconciliation.

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

- LABC encourages Family and CFCSA tariff lawyers to help clients address their interrelated needs through specific tariff items that recognize the additional time lawyers spend to provide this service. In 2021/22, nearly 400 clients received support from their lawyers to address issues related to their family or child protection case. More than half of these clients identify as Indigenous.
- LABC provides training to staff to strengthen their ability to address people’s interrelated needs. This year, training for frontline staff included mental health first aid and workplace violence prevention and de-escalation techniques.
- To enhance clients’ ability to engage in digital court processes and remote service delivery, LABC provided 11 virtual trainings to 338 intermediaries that included a focus on helping people connect to virtual court proceedings or to other virtual services such as the Access Pro Bono virtual legal clinic. LABC also continued to provide an online chat (LiveHelp) on the Family Law Website to answer in real time questions about family law, the court system and processes. In 2021/22, LABC maintained a weekly average of 25 chat sessions.
- LABC completed the Achieving Digital Equity in Access to Justice report this year. The independent analysis documents barriers to accessing digital resources faced by many people across BC. LABC prepared an action plan to respond to the report’s recommendations to enhance clients’ access to and ability to use digital tools and services.

Performance Measure(s)	2018/19 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.1a Number of clients provided legal aid services or referred to other services for interrelated needs ¹	7,656	7,073	7,400	7,542	TBD	TBD

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

¹ LABC developed a more reliable method for capturing data on this performance measure in 2020/21, and it now includes results for all services where client information is recorded for referrals made or support for interrelated needs is provided. LABC has restated the baseline, results and targets using this method. LABC will set targets for future years once the impacts of the ongoing COVID-19 pandemic on service delivery are better understood.

Discussion of Results

This performance measure reports the number applicants for LABC representation services, PLCs, expanded family duty counsel services, and the Family LawLINE who were given information or referrals to other service providers to assist with their interrelated needs. It also includes support for interrelated issues provided directly to PLC clients by advocates and Aboriginal Community Legal Workers at the PLCs.

LABC exceeded results on this measure in 2021/22 though the pandemic continued to limit access to in-person legal advice services. For example, all family advice services continued to be provided remotely, and provincial court processes where clients typically access family duty counsel were also conducted remotely.

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

Key Highlights

- LABC continued to pilot Family Limited Representation Contracts (FLRCs) this year to connect clients with lawyers and support implementation of the new Provincial Court Family Rules, as the pandemic continued to affect clients' ability to access in-person services at court. With other legal advice services available to serve clients with higher income levels, LABC returned the financial eligibility criteria for FLRCs to match that of Family Standard Representation. This provided limited legal representation to 756 clients who would not otherwise have been eligible for representation.
- LABC received additional funding to enhance support for the Family Duty Counsel program at the Surrey court house, enabling more clients to connect with lawyers for early legal advice, and in advance of their court attendances for Family Management Conferences. LABC also made enhancements to the Family LawLINE (a paralegal to assist self-represented individuals who require supports in addition to the legal advice), and increased supports for Surrey and Vancouver Family Duty Counsel services. These enhancements provide more efficient access to legal information, advice and supports to people faced with family and child protection legal problems.
- In 2021 the scope of the Family Resolution Centre (online dispute resolution platform) was broadened. In addition to parenting arrangements, users can now use the platform to address child support issues and receive free mediation to reach a resolution.
- LABC increased online access to legal aid services through 22 network locations located in organizations across the province, equipped with IT equipment funded by LABC, enabling clients to remotely connect with PLC staff and receive services. Most of the network locations are affiliated with Indigenous services or agencies.

Performance Measure(s)	2017/18 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
2.2a Percent of clients who say legal aid met their needs overall	55% ¹	60% ²	—	—	62%	—

Data source: Biennial LABC Client Survey

¹ 2017/18 was the first time “Percent of clients who say legal aid met their needs overall” was measured by client survey.

² 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.

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. There is no data on this performance measure to report for 2021/22 as our biennial client survey was not conducted this year; the next client survey is scheduled for 2022/23. However, LABC’s steps to expand the scope and accessibility of key services this year continued to advance this objective.

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

- Training is a cornerstone of LABC’s developing quality assurance program. In 2021/22, LABC provided bursaries for tariff lawyers to attend training offered by external agencies (for example: Canadian Bar Association of BC, Continuing Legal Education Society of BC, and Trial Lawyers Association of BC). Bursaries were approved and provided for 33 courses and a total of 1,820 hours of training to increase tariff lawyers’ ability to provide quality services. 236 tariff lawyers attended at least one course.
- LABC also offered a total of 32 training events totalling 46.5 hours to LABC Community Partners (CP) with 44 individuals from CP agencies attending at least one live webinar/training. Altogether, CPs received 340 hours of training during the year.
- In March 2022, LABC began piloting a flexible workplace model, after postponing implementation due to recurring waves of COVID-19 and changing public health orders.

Performance Measure(s)	2018/19 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 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	521	515	534	515 ²	515 ²

Data source: Operational data (annual measure)

¹ The 2018/19 baseline includes only one category of LABC service provider (tariff lawyers). The 2020/21 actuals, the 2021/22 target and actuals, and the future years' targets include two additional LABC service provider categories (Community Partners and Local Agents).

² The targets for 2022/23 and 2023/24 were revised during 2021/22; see the [2022/23 – 2024/25 Service Plan](#) for revised targets.

Discussion of Results

To assess progress on this objective, LABC tracks the number of staff and service providers (tariff lawyers, Community Partners, Local Agents) who undertake training to increase their ability to provide quality services. The 2021/22 Actuals exceeded both the 2021/22 Target and the 2020/21 Actuals. During 2021/22, LABC continued to deliver virtual training events (started in early 2020 due to the pandemic) 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

- Provided 25 in-house training sessions, including Equity, Diversity and Inclusion training, to provide managers and staff with knowledge, tools and resources to support well-being and build resilience in the context of our flexible workplace model (hybrid model with a mix of staff working from home and working in office).
- Provided legal aid lawyers with a technology payment to assist with virtual processes and digitalization of the courts that are transforming legal aid work.
- Sought regular feedback from Association of Legal Aid Lawyers and the Tariff Advisory Committees to ensure proposed service changes or initiatives incorporated the needs of the bar.

Performance Measure(s)	Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.2a Percent of lawyers satisfied with the overall support provided by LABC	68% (2005)	—	— ¹	— ¹	— ²	76% ³
3.2b Overall employee engagement	70 ⁴ (2008)	—	—	—	70 ⁴	—

Data source: Biennial Tariff Lawyer Survey (3.2a) and Triennial LABC Workplace Environment Survey (3.2b)

¹ There was a 2021/22 target in the 2020/21 – 2022/23 Service Plan and in the 2020/21 Annual Service Plan Report. In the 2021/22 – 2023/24 Service Plan, there was a forecast for 2021/22 of 75%. In November 2021, LABC decided to postpone the Biennial Tariff Lawyer Survey until September 2022 due to negotiations between LABC and the Association of Legal Aid Lawyers (ALL) during the fourth quarter of 2021/22, and concerns that the status of the negotiations could influence survey results.

² A target for 2022/23 was set during 2021/22; see the [2022/23 – 2024/25 Service Plan](#) for 2022/23 target.

³ The 2023/24 Target was shifted to 2024/25 Target in the [2022/23 – 2024/25 Service Plan](#).

⁴ Triennial LABC Workplace Environment Survey uses a 5 point survey scale and produces “average score” results ranging from 0 to 100 points.

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 qualified staff and services providers. There are no targets or actuals for 2021/22 because the Biennial Tariff Lawyer Survey was postponed to 2022/23 due to ALL negotiations in the fourth quarter of 2021/22 and concerns that the status of the negotiations could influence survey results, and because the Triennial Workplace Environment Survey is conducted every three years (in 2019/20 and 2022/23). Ongoing engagement with ALL (through committee meetings, policy consultations, and feedback/consultation sessions during development of the new lawyer portal) and with employees (through employee feedback on the flexible workplace pilot) indicates to LABC that this objective is on track for 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 was shut down or limited due to ongoing pandemic and changing public health orders. Call Centre volumes continued to be significantly higher compared to pre-pandemic years.

Performance Measure(s)	2016/17 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.3a Percent of approved applicants receiving a representation contract within the same day of applying	56%	49%	55%	48%	TBD	TBD

Data source: LABC client information system (annual measure)

Discussion of Results

In 2021/22, the pandemic continued to have 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 2021/22, the percentage of in-custody clients declined by about 8%, lowering the number of contracts issued on the same day as application. In addition, it continues to be more difficult to find lawyers willing to represent clients during the ongoing pandemic, especially in the area of family law. LABC also experienced staffing issues in the intake department during 2021/22, attributable to the pandemic. LABC has been working with the MAG to address these issues.

Objective 3.4: Reduce indirect costs

Key Highlights

- LABC continued to review our current business processes to optimize service delivery to clients.

Performance Measure(s) (\$000)	2018/19 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
3.4a Total indirect costs ¹	8,678	8,987	7,898 ²	7,792	TBD	TBD

Data source: LABC audited financial statements

¹ In the 2021/22 Service Plan, LABC amended the performance measure for reducing indirect costs from “Indirect costs as a percentage of total funding received”, as stated in the 2020/21 Service Plan, to “Total indirect costs” expressed as a \$ amount, per 2021/22 LABC Mandate Letter. This Annual Service Plan Report reflects this change, including the restatement of the 2018/19 and 2019/20 results as a \$ amount.

² 2021/22 Target is consistent with the 2021/22 Q3 forecast.

Discussion of Results

Measuring indirect costs presents the best method to demonstrate LABC’s success in allocating more funding to direct services to clients. Indirect costs are defined as the costs that are not incurred in direct legal service delivery to LABC clients or the public, and include head office costs such as executive office, human resources, policy and planning, facilities, finance, and information technology support services.

LABC maintained indirect costs within target levels. As we continue to respond to COVID-19 impacts, LABC reviewed opportunities to operate a cost-effective legal aid plan. This included providing intake services in a hybrid model. Further improvements are proposed with the use and introduction of new technologies.

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

- The new Provincial Court Family Law Rules were implemented province-wide in May 2021. LABC adapted Family Duty Counsel services to suit the Early Resolution Model (Victoria and Surrey) under the new rules, and participated in the Provincial Court’s Family Law Working Group throughout the year. LABC also worked with MAG regarding further work on the Provincial Court Family Rules, including the Informal Trial Pilot in Kamloops, Early Resolution Model locations, and lawyer and public education.

Performance Measure(s)	2005/06 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
4.1a Percent of the public that supports the provision of legal aid services	89%	89%	—	—	>90%	—

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. There is no data on this performance measure to report for 2021/22 as we did not conduct the biennial public opinion poll this year. The next biennial LABC public opinion poll is scheduled for 2022-23.

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

- LABC supported the implementation of virtual bail, including engagement with the evaluation process led by the Office of the Chief Judge, the launch of virtual bail in Region 5 (the North) and the subsequent launch of evening bail in Region 5, and planning for potential expansion of virtual bail, including engagement with the tariff bar.

Performance Measure(s)	2017/18 Baseline	2020/21 Actuals	2021/22 Target	2021/22 Actuals	2022/23 Target	2023/24 Target
4.2a Number of clients accessing innovative ¹ legal aid services who resolve their legal issues	248 ²	2,062 ³	3,050	2,132 ³	TBD ⁴	TBD ⁴

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

¹ For the purposes of this measure “innovative” services are defined key specialized services, including PLCs, Criminal Early Resolution Contracts, and digital early resolution services such as online dispute resolution, remote mediation and online tools.

² Baseline data includes results from Vancouver PLC and Expanded Criminal Duty Counsel.

³ 2020/21 and 2021/22 Actuals include 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.

⁴ Targets for 2022/23 and 2023/24 were set during 2021/22; see the [2022/23 – 2024/25 Service Plan](#) for targets.

Discussion of Results

This measure demonstrates the growing impact of our innovative legal aid services. It is difficult to accurately forecast uptake of new services in a changing environment, and although the increase that was forecast by the 2021/22 Target was not achieved, the 2021/22 Actuals exceeded the level of results achieved in 2020/21. Both Family Limited Representation Contracts and Criminal Early Resolution Contracts 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.

Performance measure 4.2a reports numbers for clients of innovative services who resolve their legal issues; however, there are many who access innovative services who don’t resolve their legal case but make significant progress towards resolution. For example, some clients getting mediation through the Family Resolution Centre (online dispute resolution platform) don’t reach a complete agreement but work through some or most of their legal issues, moving them closer to full resolution of their case. There are often multiple legal issues in dispute in family law cases, such as parenting arrangements (arrangements for the care of a child, including where the child lives and who is responsible for making decisions that affect them), guardianship, spousal support, child support, and division of family property and debt. When parties are able to resolve a number of these issues through innovative services, it reduces the issues that need to be determined through a court hearing or trial.

Family Limited Representation Contracts (FLRC) are one of the innovative services included in Performance Measure 4.2a. In addition to the FLRC cases that resolved during 2021/22, there were an additional 58 FLRC cases that were moving towards resolution (for example, some but not all issues resolved, or interim order granted but no final order yet).

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, 2022 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 2021/22 was \$114.0 million compared to the 2020/21 total revenue of \$105.4 million. The provincial government provides the largest portion of revenue. In 2021/22, the provincial government provided \$108.6 million to LABC (2020/21 \$100.1 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. The Notary Foundation provided \$1.2 million to LABC in 2021/22, compared to \$0.7 million in 2020/21. The Law Foundation provided \$3.5 million in 2021/22 (\$3.5 million in 2020/21).

Expenses

LABC's expenses totalled \$114.0 million in 2021/22, an increase of \$8.6 million from 2020/21. The increase in expenses compared to last year is a result of easing COVID-19 restrictions and the impact on court operations. Of the total expenses, \$79.8 million was for the tariff programs, \$20.2 million for salaries and benefits, \$3.9 million for building, Board and amortization, and \$10.1 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 tariff services and 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 2021/22 is \$12.0 million (2020/21 \$11.5 million).

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	2020/21 Actual	2021/22 Budget	2021/22 Actual	2021/22 Variance
Revenue				
Contribution from Province	100.1	107.5	108.6	1.1
Other Income & Recoveries	5.3	4.0	5.4	1.4
Total Revenue	105.4	111.5	114.0	2.5
Expenses				
Criminal tariff	53.4	57.4	58.0	0.6
Family tariff	21.7	24.6	27.2	2.6
Child Protection tariff	5.8	7.8	6.1	(1.7)
Immigration and refugee tariff	3.7	4.1	4.1	0.0
Justice Initiatives	7.2	7.2	6.7	(0.5)
Indirect (Administration)	9.0	6.5	7.8	1.3
Publishing	2.5	1.5	2.5	1.0
Community engagement	0.8	0.8	0.9	0.1
Indigenous services	1.3	1.6	0.7	(0.9)
Total Expenses	105.4	111.5	114.0	2.5
Net Income	0.0	0.0	0.0	0.0
Total Liabilities	19.2	19.2	19.2	0.0
Capital Expenditures	0.1	2.0	2.1	0.1
Accumulated Surplus	0.9	0.9	0.9	0.0

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.

Note 4: 2021/22 Budget figures are based on Legal Aid BC’s 2021/22-2023/24 Service Plan.

Variance and Trend Analysis

LABC's revenue increased by \$8.6 million during the fiscal year compared to last year. The increase was due to easing of COVID-19 restrictions and increasing demand in some legal program activities. 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 LABC'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 61 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 cloud migration of the lawyers billing portal. LABC invested \$2.1 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

	2021/22	2020/21	2019/20
Aboriginal community legal worker client assists	365	175	197
LIOW worker client assists	12,028	9,698	6,077 ¹
LABC website users	247,117	213,646	203,911
LABC website sessions	440,475	389,433	376,001
Family Law in BC website users	531,664	615,294	731,364
Family Law in BC website sessions	776,919	869,190	1,015,402
Aboriginal Legal Aid in BC website users	33,912	20,182	18,985
Aboriginal Legal Aid in BC website sessions	42,653	26,058	24,379
MyLawBC website users	39,037	51,522	38,263
MyLawBC website sessions	55,513	71,376	54,000
Total intermediaries reached through LABC workshops and conferences	5,073	1,567	1,570
Direct one-to-one client assists by community partners	7,871	10,433	11,136

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

Legal Representation Services

This table shows the number of individuals who applied for representation services (service requests) and the number of individuals who received a representation contract (contracts).

Area of Law	2021/22		2020/21		2019/20	
	Service Requests	Contracts	Service Requests	Contracts	Service Requests	Contracts
Criminal	21,460	17,661	20,267	16,756	24,256	20,221
Family	8,531	4,215	8,515	4,566	8,131	4,400
CFCSA ¹	2,435	1,609 ²	2,641	1,838 ²	2,925	2,085 ²
Immigration	1,876	1,419	1,444	1,035	2,480	1,941
Appeals of Administrative Tribunal Decisions ³	106	46	146	67	93	17
Total	34,408	24,845	33,013	24,262	37,885	28,664

* 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 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

This table shows the percent of applicants who received a representation contract.

Area of Law	2021/22	2020/21	2019/20
Criminal	82%	83%	83%
Family	49%	54%	54%
CFCSA ¹	66%	70%	71%
Immigration	76%	72%	78%
Appeals of Administrative Tribunal Decisions ²	43%	46%	18%

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.

The lower contract issued rate for family applications in 2021/22 reflects an increase in the number of applicants denied for financial eligibility this year. For example, we issued fewer FLRCs in 2021/22 than in 2020/21 due to the financial eligibility threshold for this service being returned to the same level as standard family representation contacts during 2021/22.

Legal Advice Services

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.

	2021/22	2020/21	2019/20
Criminal Advice Services			
Criminal duty counsel client assists ¹	60,138	53,064	75,347
Indigenous Court duty counsel client assists ²	651	470	613
Brydges Line calls handled	19,924	19,278 ³	16,494
Family Advice Services			
Family duty counsel client assists ¹	18,826 ⁴	15,495	32,699
Expanded family duty counsel Victoria unique clients	755	801	1,373
Family LawLINE unique clients	4,836	4,658	3,859 ⁵
Immigration Advice Services			
Immigration duty counsel client assists ¹	744	524	1,068

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 2020/21 following a switch to a new service provider. The increase may reflect a different way of counting calls from the previous provider.

⁴ Volume of assists in one duty counsel location is under represented this year due to the introduction of a new tracking system.

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, 2022

Legal Services Society

March 31, 2022

Table of contents

Management's Report.....	1
Independent Auditor's Report.....	2-3
Statement of financial position	4
Statement of operations and accumulated surplus	5
Statement of changes in net debt.....	6
Statement of cash flows	7
Notes to the financial statements	8-19
Schedule 1 – Tangible Capital Assets.....	20-21

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, 2022 (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



Michael Bryant
Chief Executive Officer



Salman Azam
Chief Operating Officer

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, 2022, 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, 2022 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 17, 2022
Vancouver, British Columbia

Legal Services Society

Statement of financial position

as at March 31, 2022

	2022	2021
Financial assets		
Cash (note 17)	\$ 12,291,868	\$ 11,307,741
Accounts receivable (note 17)		
Government of British Columbia (note 14)	1,024,172	1,336,132
Government of Canada	1,149,997	1,125,684
Other	979,322	2,642,116
Total financial assets	15,445,359	16,411,673
Liabilities		
Accounts payable and accrued liabilities (note 17)		
General (note 5a)	2,495,491	3,087,115
Tariff (note 5b)	15,790,445	14,972,983
Employee future benefits (notes 6(b) and 17)	191,200	217,800
Long-term liabilities (notes 7 and 17)	758,111	914,999
Total liabilities	19,235,247	19,192,897
Net debt	(3,789,888)	(2,781,224)
Non-financial assets		
Tangible capital assets (Schedule 1)	4,530,910	3,304,777
Prepaid expenses	198,445	415,914
Total non-financial assets	4,729,355	3,720,691
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.

Approval of the financial statements by:



Karen Christiansen, FCPA, FCA
Chair of the Board of Directors



Allan Seckel, QC
Chair of the Finance Committee

Legal Services Society

Statement of operations and accumulated surplus

for the year ended March 31, 2022

	Budget (note 12)	2022	2021
Revenue			
Government of British Columbia (notes 9 and 14)	\$ 109,857,000	\$ 108,618,894	\$ 100,106,710
Law Foundation	3,250,000	3,535,429	3,477,837
Department of Justice — Canada	—	60,467	82,778
Notary Foundation	500,000	1,184,504	713,020
Investment	100,000	111,251	164,592
Miscellaneous	115,000	497,097	807,881
Total revenue	113,822,000	114,007,642	105,352,818
Expenses (notes 10 and 14)			
Criminal tariff	58,292,231	58,049,353	53,393,540
Family tariff	25,575,742	27,192,561	21,681,935
Child protection tariff	7,750,990	6,060,184	5,794,281
Immigration and refugee tariff	3,632,192	4,100,377	3,659,893
Justice Innovation and Transformation Initiatives	7,385,426	6,728,150	7,182,927
Publishing	2,101,896	2,496,805	2,538,750
Community engagement	823,938	914,790	791,454
Indigenous services	713,449	673,041	1,322,126
Administration (note 11)	7,546,136	7,792,380	8,987,913
Total expenses	113,822,000	114,007,642	105,352,818
Surplus / (Deficit) for the year	—	—	—
Accumulated surplus at beginning of year	939,467	939,467	939,467
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.

Legal Services Society

Statement of changes in net debt

for the year ended March 31, 2022

	Budget <i>(note 12)</i>	2022	2021
Surplus / (Deficit) for the year	\$ —	\$ —	\$ —
Acquisition of tangible capital assets	(3,000,000)	(2,138,213)	130,956
Amortization	1,163,000	912,080	1,124,827
	<u>(1,837,000)</u>	<u>(1,226,133)</u>	<u>1,255,783</u>
Acquisition of prepaid expenses	—	(204,069)	(511,262)
Use of prepaid expenses	—	421,538	676,587
	<u>—</u>	<u>217,469</u>	<u>165,325</u>
Decrease (increase) in net debt	(1,837,000)	(1,008,664)	1,421,108
Net debt at beginning of year	(2,781,224)	(2,781,224)	(4,202,332)
Net debt at end of year	\$ (4,618,224)	\$ (3,789,888)	\$ (2,781,224)

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

Legal Services Society

Statement of cash flows
for the year ended March 31, 2022

	2022	2021
Cash provided by (applied to) operating activities		
Deficit for the year	\$ —	\$ —
Items not involving cash:		
Amortization	912,080	1,124,827
Long term liabilities	(156,888)	(143,452)
<i>Changes in non-cash working capital:</i>		
Accounts receivable	1,950,440	(1,639,564)
Accounts payable and accrued liabilities	225,839	1,441,215
Prepaid expenses	217,469	165,325
Employee Future Benefits	(26,600)	(7,000)
Total change from Operating activities	<u>3,122,340</u>	<u>941,351</u>
Cash applied to capital activities		
Purchase of tangible capital assets	(2,138,213)	130,956
Total change from Capital activities	<u>(2,138,213)</u>	<u>130,956</u>
Cash provided by investing activities		
Investments redeemed	—	1,904,925
Total change from Investing activities	<u>—</u>	<u>1,904,925</u>
Increase in cash	984,127	2,977,232
Cash at beginning of year	11,307,741	8,330,509
Cash at end of year	\$ <u>12,291,868</u>	<u>11,307,741</u>

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, 2022**

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, 2022 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, 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.

(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 allowances for doubtful 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, 2022, the society held no investments (2021 — \$nil).

5. Accounts payable and accrued liabilities

(a) General

	2022	2021
Trade payables	\$ 1,043,057	\$ 1,981,469
Payroll payables	1,452,434	1,105,646
Total	\$ 2,495,491	\$ 3,087,115

(b) Tariff

		2022	2021
Submittals approved, not paid	\$	1,873,047	\$ 1,608,437
Submittals not approved		1,932,476	1,908,145
Accrual (note 18)		11,984,922	11,456,401
Total	\$	15,790,445	\$ 14,972,983

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 this liability to be approximately \$11,984,922 (2021 — \$11,456,401). 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 \$1,291,289 (2021 — \$1,305,282) for employer contributions to the plan during the year ended March 31, 2022.

(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.

	2022	2021
Leasehold inducements	\$ 758,111	\$ 914,999
Less: current portion	(148,148)	(143,452)
Long-term portion	\$ 609,963	\$ 771,547

8. Accumulated surplus

The accumulated surplus is restricted by the Legal Services Society Act and approval by the Board of Directors.

9. Restricted contributions

2022

	Opening deferred contribution	Approved budget	Additional contributions	Recognized in operations	Closing deferred contribution
Government of British Columbia — Category B	\$ —	\$ 3,292,000	\$ 531,238	\$ 3,823,238	\$ —

2021

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

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:

	2022 Budget	2022 Actual	2021 Actual
Lawyer fees	\$ 60,785,200	\$ 60,973,563	\$ 53,272,871
Duty counsel fees	12,951,365	13,379,220	11,190,398
Disbursements	5,624,800	5,406,901	5,146,158
Total tariff costs	79,361,365	79,759,684	69,609,427
Salaries and benefits	20,307,098	20,171,683	19,886,119
Grants and contracted services	4,592,495	5,544,436	5,990,990
Computers	1,483,711	1,582,447	2,980,665
Premises	3,159,287	2,905,059	2,750,920
Local agents	1,757,200	1,744,450	1,709,691
Amortization	1,568,677	912,080	1,124,827
Office	761,555	677,206	633,415
Miscellaneous	588,457	592,385	537,994
Board expenses	164,508	83,417	124,975
Travel	77,647	34,795	3,795
Total	\$ 113,822,000	\$ 114,007,642	\$ 105,352,818

11. Administration expense

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

	2022	2021
Executive Office	\$ 1,231,435	\$ 1,880,126
Finance and Office Services	2,213,435	1,856,780
Strategic Policy, Planning and Human Resources	2,667,978	2,881,364
IT Operation Services	1,679,532	2,369,643
Total	\$ 7,792,380	\$ 8,987,913

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 May 28, 2021, and submitted to the Ministry of the Attorney General on June 4, 2021 and were approved on July 2, 2021.

13. Contractual obligations

The society has the following contractual obligations.

	Premises leases	Operating costs	Total
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
2027	1,424,194	—	1,424,194
Thereafter	2,455,324	—	2,455,324
Total	\$ 10,509,754	\$ 129,300	\$ 10,639,054

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 \$32.1 million (2021 — \$30.8 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 \$108,618,894 (2021 — \$100,106,710), and the society is responsible for providing legal aid to individuals throughout British Columbia. At year-end, the province owed the society \$1,024,172 (2021 — \$1,336,132).

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 \$194,094 (2021 — \$132,376). All payments to Board members are reviewed by the finance committee on a quarterly basis.

15. Economic dependence

In 2022, the society received 95% (2021 — 95%) of its total 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, 2022, 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 is held at Canadian chartered banks and Canadian financial institutions. 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. To the extent the society identifies an account where collection is doubtful, an allowance will be recorded as appropriate.

The society's maximum exposure to credit risk is \$15,445,359 (2021 - \$16,411,673).

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, 2022, the society has \$nil drawn against this line (2021 — \$nil).

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

2022

	On demand	Up to 1 year	1 to 3 years	Total
Financial assets				
Cash	\$ 12,291,868	\$ —	\$ —	\$ 12,291,868
Accounts receivable	—	3,153,491	—	3,153,491
Total financial assets	\$ 12,291,868	\$ 3,153,491	\$ —	\$ 15,445,359
Liabilities				
Accounts payable and accrued liabilities	—	4,631,789	—	4,631,789
Tariff accrual	—	13,654,147	—	13,654,147
Other liabilities	—	348,088	609,963	949,311
Total liabilities	\$ —	\$ 18,634,024	\$ 609,963	\$ 19,235,247

17. Risk management (continued)

Liquidity risk (continued)

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

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. A change of 1% in market interest rates would have an impact of approximately \$100,000 on interest revenue.

(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	\$ 11,984,922	(1,198,492)	\$ 10,786,430
	Max	\$ 11,984,922	1,198,492	\$ 13,183,414
Tariff and transcript expenses (<i>note 10</i>)	Min	\$ 79,759,684	(1,198,492)	\$ 78,561,192
	Max	\$ 79,759,684	1,198,492	\$ 80,958,176

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. Due in part to the ongoing effects of the COVID-19 pandemic on the court system, the current model is currently under review and re-development.

Schedule 1 – Tangible Capital Assets

2022

Cost

(\$000)	Balance, beginning of year	2022 Additions ¹	2022 Disposals	Balance, end of year
Furniture	\$ 1,107			1,107
Equipment	688			688
Computer equipment	1,396			1,396
Computer software	2,575	2,138		4,713
Client Information System	5,811			5,811
Leasehold improvements	3,893			3,893
Total	\$ 15,470	2,138		17,608

¹Computer software additions represent work in progress and therefore are not amortized in the current fiscal year.

Accumulated amortization

(\$000)	Balance, beginning of year	2022 Additions	2022 Disposals	Balance, end of year
Furniture	\$ (1,089)	(17)		(1,106)
Equipment	(635)	(32)		(667)
Computer equipment	(1,182)	(78)		(1,260)
Computer software	(2,463)	(60)		(2,523)
Client Information System	(5,644)	(167)		(5,811)
Leasehold improvements	(1,153)	(557)		(1,710)
Total	\$ (12,166)	(911)		(13,077)

Net Book Value

(\$000)	2022	2021
Furniture	\$ 1	\$ 18
Equipment	21	53
Computer equipment	136	214
Computer software	2,190	111
Client Information System	-	168
Leasehold improvements	2,183	2,740
Total	4,531	3,304

Schedule 1 – Tangible Capital Assets (continued)

2021

Cost

(\$000)	Balance, beginning of year	2021 Additions	2021 Disposals	Balance, end of year
Furniture	\$ 1,107	\$ —	\$ —	\$ 1,108
Equipment	688	—	—	688
Computer equipment	1,279	117	—	1,396
Computer software	2,823	—	248	2,575
Client Information System	5,811	—	—	5,811
Leasehold improvements	3,893	—	—	3,893
Total	\$ 15,601	\$ 117	\$ 248	\$ 15,471

Accumulated amortization

(\$000)	Balance, beginning of year	2021 Additions	2021 Disposals	Balance, end of year
Furniture	\$ (1,068)	\$ (21)	\$ —	\$ (1,089)
Equipment	(602)	(32)	—	(635)
Computer equipment	(1,116)	(66)	—	(1,182)
Computer software	(2,380)	(83)	—	(2,463)
Client Information System	(5,281)	(362)	—	(5,644)
Leasehold improvements	(593)	(560)	—	(1,153)
Total	\$ (11,042)	\$ (1,124)	\$ —	\$ (12,166)

Net Book Value

(\$000)	2021	2020
Furniture	\$ 18	\$ 39
Equipment	53	86
Computer equipment	214	163
Computer software	112	443
Client Information System	167	529
Leasehold improvements	2,740	3,300
Total	\$ 3,304	\$ 4,560