Legal Aid NL
Annual Report
2024-25

LEGAL AID NL

REAL LAWYERS FOR REAL PEOPLE

Message from the Chair

As chair of the Newfoundland and Labrador Legal Aid Commission (the Commission or Legal Aid NL), I am pleased to present the Commission's Annual Report which outlines the activities completed during fiscal year April 1, 2024, to March 31, 2025. This report was prepared under my direction and in accordance with the provisions of the **Transparency and Accountability Act.** This report includes the audited financial statements of the Legal Aid Commission as prepared by the Office of the Auditor General.

The Legal Aid Commission, also known as Legal Aid NL, is classified as a Category 3 Government Entity and, as such, must prepare an Annual Report which presents information on the activities of the entity carried out during the preceding fiscal year in compliance with its mandate.

Legal Aid NL operates under the **Legal Aid Act,** which provides for the provision of legal counsel to represent eligible residents of the province of Newfoundland and Labrador who are charged with offences under the **Criminal Code of Canada**, other federal and provincial statutes, and people who have family disputes.

Residents of Newfoundland and Labrador avail of duty counsel services when appearing on criminal matters in Provincial and Youth Court or on family matters in the Supreme Court Family Division. These services also extend to visitors to Newfoundland and Labrador. Legal counsel may be appointed for non-residents either through the Legal Aid Plan of the province in which they reside, or through Legal Aid NL.

Legal Aid NL is accountable for the preparation of this report and for the results reported. I, as chair of the Newfoundland and Labrador Legal Aid Commission, accept accountability on behalf of myself and the entire board.

Timothy Chalker, K.C., Chair

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Background and Overview

Legal Aid NL is a publicly funded, independent organization established in 1976 by the **Legal Aid Act** (the Act) to assume responsibility for the Legal Aid Plan. Prior to this, a committee of the Law Society of Newfoundland and Labrador administered the Legal Aid Plan.

The services of Legal Aid NL are an essential component of a fair and accessible justice system in the province of Newfoundland and Labrador. Legal Aid's mandate is to respond to the needs of those whose means are compromised, as well as the general public in certain instances, by providing high quality, innovative and collaborative legal services through a staff solicitor model.

Eligibility for full service legal aid representation requires that financial and legal eligibility requirements specified in the Act and the **Legal Aid Regulations** (the Regulations) are met. Once approved, services are provided by solicitors employed full time with Legal Aid NL in approximately 99 per cent of the cases, and by solicitors in private practice in those remaining. Private solicitors are paid on a fee-for-service basis in accordance with the tariff (hours and rates) of the regulations.

Legal Aid NL also delivers services, without the need for financial eligibility, through solicitors, by way of:

- Duty counsel on criminal law matters before the Provincial and Youth courts;
- Duty counsel on family law matters in the Supreme Court of Newfoundland and Labrador-Family Division in St. John's; and
- Brydges counsel, whereby a solicitor can be reached toll-free, 24 hours a day, seven days a week, to provide advice to people upon arrest, detention, or questioning by a peace officer.

A board of commissioners, comprised of nine members, manages the affairs of Legal Aid NL. The Deputy Minister of Justice and Public Safety and the CEO/Provincial Director of Legal Aid NL, or their designate, serve as *ex-officio* members of the board. The Lieutenant-Governor in Council appoints seven Commissioners, three of whom are appointed from a list of nominees submitted by the Law Society of Newfoundland and Labrador. The Lieutenant-Governor in Council designates one of the board of commissioners as chair. Members of the board of commissioners as of March 31, 2025, were:

- Timothy J. Chalker, K.C., Chair
- Beth McGrath, K.C.
- Melissa May
- Donna Strong, Vice Chair
- Rodney Zdebiak, K.C

Ex-officio members:

- Denise Woodrow, K.C. Assistant Deputy Minister (designate of Deputy Minister of Justice and Public Safety)
- Harman Khurana, CEO and Provincial Director

Legal Aid Offices and Staff

As of March 31, 2025, Legal Aid NL employed 145 personnel including a CEO and Provincial Director, one Deputy Provincial Director, 72 Solicitors, and 71 support and administrative staff positions were allocated across a network of 18 offices, including the provincial head office, 12 area offices, and five project offices.

From five project offices, Legal Aid NL delivers the following services:

- The **Mental Health Office** works collaboratively with the provincial health authority providing legal representation at the Mental Health Court, appearing before the Criminal Code Mental Disorder Review Board, the Mental Health Care and Treatment Review Board, as well as in the traditional court system. Legal Aid NL and NL Health Services take a multidisciplinary approach to client service in resolving legal and related issues which allows for the delivery of timely, comprehensive and holistic services to individuals who struggle with mental illness. By providing legal assistance through this office, clients with mental health issues who often face significant barriers to justice, have access to the legal rights to which they are entitled.

- The **Family and Child Offices** are located in Happy Valley-Goose Bay and Corner Brook. Its role is to assist parents of children taken into care by the Department of Families and Affordability; to respond to the concerns of the Department of Families and Affordability (the former Department of Children, Seniors and Social Development); to assist parents in accessing the supports they need; and, to work towards the reunification of the family, where possible. Each office has a combination of lawyers, social workers, and paralegals.

- The **Family Duty Counsel Office** is located in St. John's at the family division of the Supreme Court of Newfoundland and Labrador. This is a no-fee service for people with family law matters, who do not already have a lawyer. Duty counsel provides basic advice and speaks on their behalf in straightforward and uncontested court matters.

- The **Special Defence Unit** was established in June 2018 to provide legal services to clients with serious criminal charges. In early 2018, the Act was amended to remove the choice of counsel provision, so clients no longer choose a private lawyer on serious charges such as murder and manslaughter. Clients facing such charges are now represented by senior lawyers experienced in dealing with major criminal matters. The office is staffed with a team of three senior lawyers experienced in dealing with major criminal matters.

Legal Aid NL also supports specialized projects and initiatives, including:

- The **Intimate Partner Violence Intervention Court**, a specialized court established in 2015 by the Department of Justice and Public Safety and supported by Legal Aid NL, with locations in St. John's, Stephenville and Grand Falls-Windsor. This court serves victims of domestic and intimate partner violence and helps enhance victim safety and offender accountability. Legal Aid NL provides a risk assessment officer, based in the provincial head office, to assess persons whose cases are being considered for inclusion in the Intimate Partner Violence Intervention Court. Solicitors from the St. John's area office, the Stephenville area office and the Grand Falls-Windsor area office handle the provision of advice and representation to accused persons.

- **The Indigenous project** focuses on working with Indigenous communities to improve access to justice and the quality of legal services for Indigenous peoples. Legal Aid NL supports this project through four community liaison worker positions in the towns of Nain, Hopedale, Natuashish and Sheshatshiu.

- **The French speaking project** ensures access to French-speaking services. Legal Aid NL maintains a roster of solicitors fluent in French to provide legal advice by telephone, in person and, when necessary, conduct trials in French.

- **The Drug Treatment Court**, established in 2019, by the Department of Justice and Public Safety is intended for offenders with serious drug addictions, who commit non-violent, drug-motivated offences. Legal Aid NL's Mental Health Office is supporting this initiative by actively processing referrals and transfers at the court's weekly file meetings and providing advice and representation to accused persons.

Lines of Business

For residents of Newfoundland and Labrador who meet financial and case eligibility criteria, and for certain non-residents charged with a criminal offence or who otherwise qualify, the following services are provided:

- Representation in criminal, family and civil cases,
- Representation in appeals before the Courts,
- Representation before administrative tribunals in areas such as immigration and refugee claims, Canada Pension Plan, employment insurance and social assistance, and,
- Representation in specialized courts including Mental Health Court, Intimate Partner Violence Intervention Court, and Drug Treatment Court.

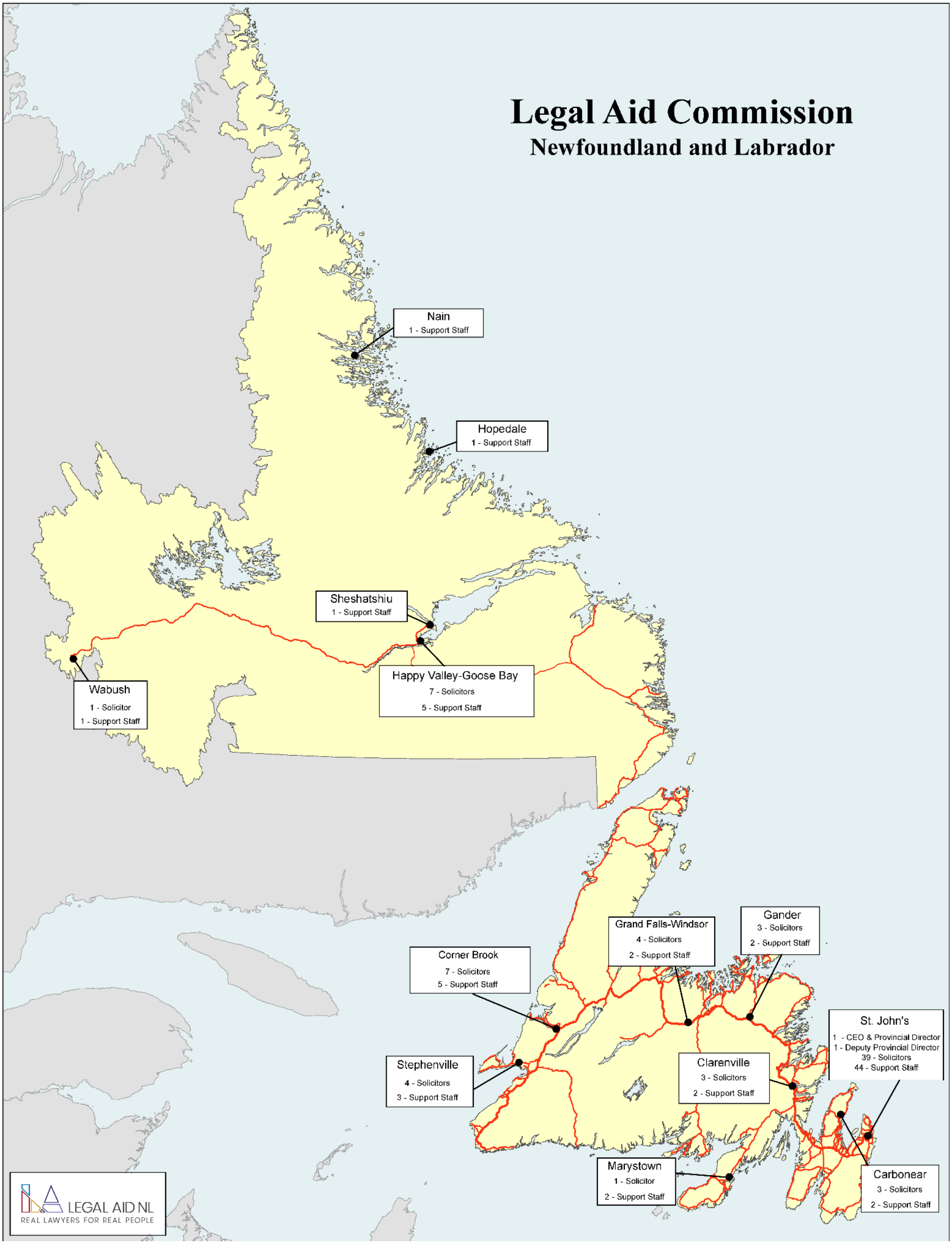
For all residents of Newfoundland and Labrador, and visitors to the province, the following services are provided:

- Duty counsel to accused persons appearing in the provincial and youth courts across the province, and family division - trial division of the Supreme Court in St. John's.

- Brydges duty counsel, a 24-hour telephone service to people arrested or detained by a peace officer.

Vision

A province where all people, regardless of means, capacity, social situation, or gender-based analysis plus (GBA+) identity factors, have access to the knowledge and services they require to protect their basic legal rights and quality of life through collaborative, holistic and long-term solutions to their legal issues.



Legal Aid Commission
Newfoundland and Labrador
Nain
1 - Support Staff
Hopedale
1 - Support Staff
Sheshatshiu
1 - Support Staff
Happy Valley-Goose Bay
7 - Solicitors
5 - Support Staff
Wabush
1 - Solicitor
1 - Support Staff
Grand Falls-Windsor
4 - Solicitors
2 - Support Staff
Gander
3 - Solicitors
2 - Support Staff
Corner Brook
7 - Solicitors
5 - Support Staff
St. John's
1 - CEO & Provincial Director
1 - Deputy Provincial Director
39 - Solicitors
44 - Support Staff
Stephenville
4 - Solicitors
3 - Support Staff
Clarenville
3 - Solicitors
2 - Support Staff
Marystown
1 - Solicitor
2 - Support Staff
Carbonear
3 - Solicitors
2 - Support Staff
LEGAL AID NL
REAL LAWYERS FOR REAL PEOPLE

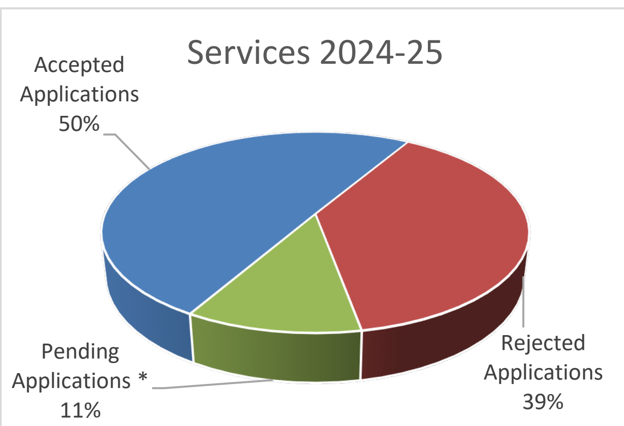
Highlights and Partnerships

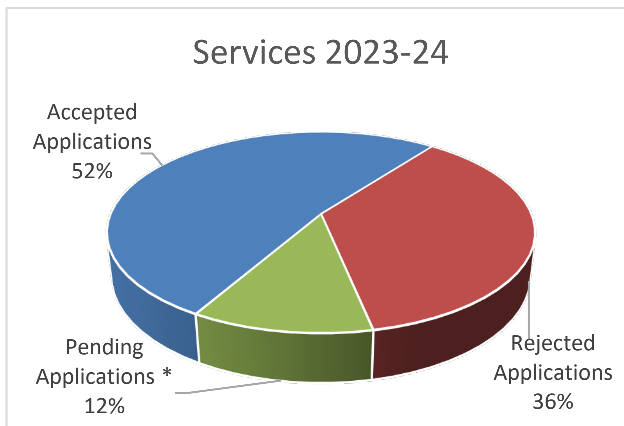
Applications for Legal Services

During the fiscal year ending March 31, 2025, Legal Aid NL received 8,121 applications for full service legal representation, representing a 9 per cent increase over the previous year.

Of the applications received, 50 per cent (or 4,076 applications) were approved, 39 per cent (or 3,134 applications) were rejected as they did not meet one or both of the financial or legal eligibility criteria, and the remaining 11 per cent (or 911 applications) were pending a decision. The table and charts below show the change in the number of files handled by Legal Aid NL in the 2024-25 fiscal year as compared to the previous year.

Applications Processed				
	2024-25		**2023-24**	
Accepted Applications	4,076	50%	3,877	52%
Rejected Applications	3,134	39%	2,714	36%
Pending Applications *	911	11%	864	12%
Total	8,121	100%	7,455	100%
* Pending applications have not yet been approved as additional information is required before a decision can be made as to an applicant's eligibility.				





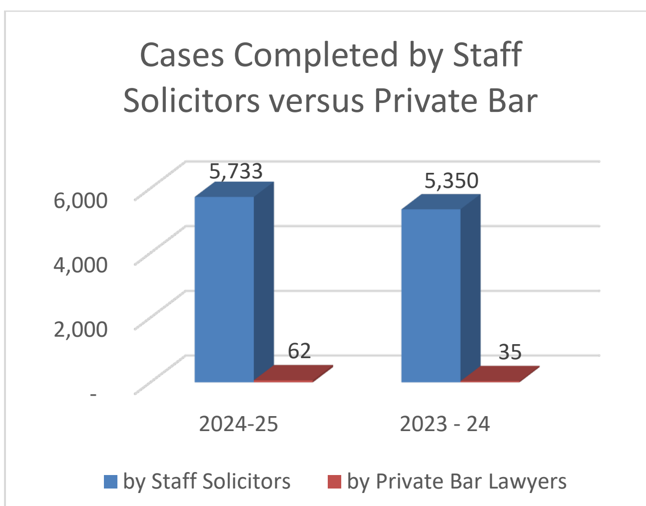
Type of Legal Representation

Legal Aid NL provides a range of legal services to low-income individuals primarily in the areas of family and criminal law. During 2024-25, 68 per cent (or 2,778 applications) of 4,076 applications approved related to criminal matters; the remaining were made up of 20 per cent civil (830 applications), 11 per cent youth (445 applications), and one per cent immigration/refugee matters (23 applications). The table below outlines the types of applications received and approved year-over-year.

Law Type	2024-25			2023-24		
	Applications Received	Applications Approved		Applications Received	Applications Approved	
Criminal	4,649	2,778	68%	4,122	2,562	66%
Youth	476	445	11%	398	355	9%
Civil/Family	2,909	830	20%	2,793	877	23%
Immigration	87	23	1%	142	83	2%
Total	**8,121**	**4,076**	**100%**	**7,455**	**3,877**	**100%**

Cases Completed

Legal Aid NL primarily uses a staff solicitor model to deliver legal services as opposed to relying on the private bar for service delivery. During the 2024-25 fiscal year, Legal Aid NL provided representation on 5,795 cases. Consistent with previous years, staff lawyers handled approximately 99 per cent (or 5,733) of the cases completed, with private bar representing one per cent (or 62) of the cases completed. The chart below shows the year-over-year comparison of the number of cases completed by staff solicitors versus private lawyers.



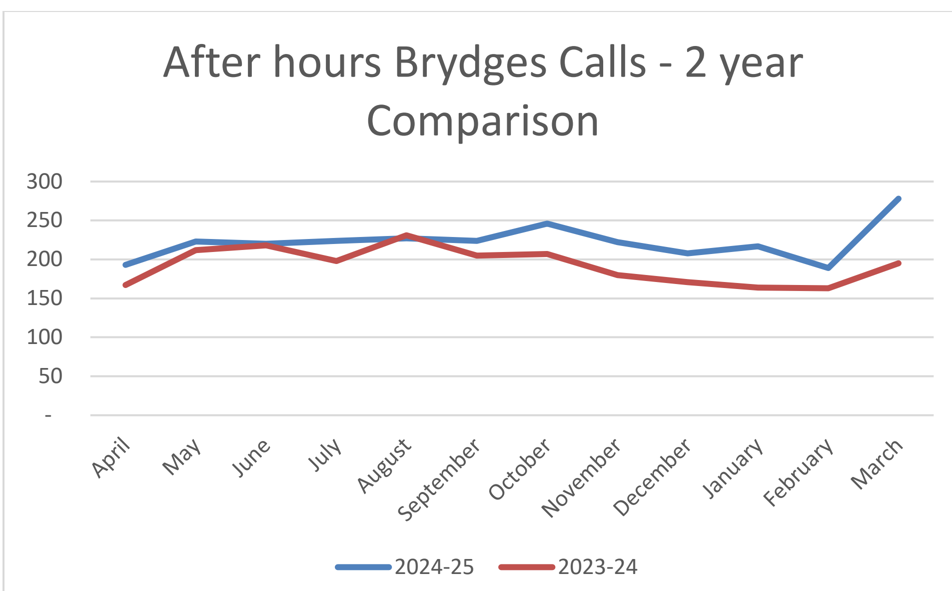
Duty Counsel Services

Duty counsel at Provincial Court is a no-charge service provided to people on their first appearance before a provincial or youth court judge. During the 2024-25 fiscal year, duty counsel assisted 12,237 clients, including 11,755 adults and 482 youth. The majority of adult clients assisted through duty counsel involved matters relating to criminal charges (11,014 clients or 94 per cent of adults). The remaining adult client assists pertained to family law issues and were assisted by duty counsel solicitors from the family division project office.

Duty Counsel				
Client	**2024-25**		**2023-24**	
Adult				
Criminal	11,014	94%	7,815	92%
Family	741	6%	701	8%
Total Adult	11,755	96%	8,516	96%
Youth	482	4%	348	4%
Total	12,237		8,864	100%

Brydges Counsel Services

Brydges counsel is a telephone service offering free legal advice on a 24-hour basis to individuals under arrest and in custody, under active investigation by the police, and who need immediate advice on their rights under the Canadian Charter of Rights and Freedoms and criminal law matters. The number of clients assisted by Brydges Counsel in 2024-25 was 2,671 as compared to 2,311 in 2023-24, representing a 15 per cent increase over the prior year.



Report on Performance

Strategic Issue: Improved Productivity and Client Service Delivery Through Focus on New Technology and Training

Legal Aid NL's 2023-26 activity plan focuses on leveraging new and updated technology and training to build an adaptable and more cohesive workforce capable of responding to client needs effectively and efficiently.

During 2024–25, Legal Aid NL made the strategic decision to discontinue its previously stated goal of procuring a new practice management system (PMS). This decision was made after careful consideration of the evolving needs of the organization and the increased availability of new technology options over the two years since the project began. Rather than proceeding with the implementation of a new system, Legal Aid NL will instead focus on upgrading and enhancing its existing PMS.

This revised approach is expected to be more cost-effective and better aligned with current operational needs. Upgrading the current system is anticipated to deliver several advantages, including accelerated implementation timelines, reduced training demands for staff, and minimizing disruption to services. While the replacement of the system may be reconsidered in the future, the immediate focus is on strengthening and modernizing the existing platform to better meet user needs.

Over the past year, significant work has been completed to support this transition. Legal Aid NL collaborated with the Office of the Chief Information Officer (OCIO) to develop a comprehensive workplan focused on enhancing the existing system. This included identifying system improvements and user-driven enhancements, as well as completing key infrastructure upgrades necessary to support system performance and future scalability. These efforts lay the groundwork for a modernized, responsive system that will continue to meet the needs of Legal Aid NL and its users into the future.

Goal:	By March 31, 2026, Legal Aid NL will have procured, tested, deployed and customized new PMS to improve productivity for enhanced client service delivery and move towards electronic filing of all client data.

Objective 2:	By March 31, 2025, Legal Aid NL will have identified, tested and implemented customizations required to address selected deficiencies in workflow between intake, staff solicitors and support staff.
Indicators:	**Actual Results:**
Completed successful migration of data from the	In November 2024, Legal Aid NL made the decision not to move forward with its earlier plan to purchase a new PMS and instead prioritize enhancement and modernization of its existing platform (LAMIS). As a result, the indicated migration of data to the new

old PMS to the new PMS.	PMS was no longer necessary. Instead, progress was made to develop and plan technological enhancements for LAMIS. During November of 2024, Legal Aid NL engaged extensively with the OCIO to develop a workplan that outlines key system enhancement objectives, resource requirements, and timelines for testing and implementation. To further support this initiative, Legal Aid NL established an internal working group composed of senior staff representatives. This group will continue to play a key role in identifying enhancement opportunities, validating system requirements, and participating in testing and implementation of proposed changes.
Deployed the new PMS and implemented organization-wide training.	Legal Aid NL decided not to proceed with the implementation of a new PMS. Therefore, the planned organization wide training did not proceed as indicated. Legal Aid NL determined it would be more cost-effective to enhance the existing system. During January 2025, Legal Aid NL conducted a series of consultations with internal stakeholders to identify functional and workflow improvements, and user experience enhancements. As part of this effort, several formal support request tickets were submitted to OCIO to document proposed improvements to system functionality and address evolving user requirements. These submissions formed the basis for an in-depth meeting with OCIO project leads in March 2025, during which enhancements were reviewed, clarified, and prioritized for testing and implementation.
Identified, tested and implemented customizations necessary to address workflow deficiencies.	As the new system was not implemented, there were no system customizations as indicated. During the first quarter of 2025, substantial infrastructure upgrades were completed to support the technical requirements of the existing platform. This included network and server enhancements, and improved system security features. These upgrades were essential to ensure the existing system can reliably support new functionalities, accommodate future growth, and meet evolving cybersecurity standards. Legal Aid NL is still committed to identifying new technological solutions and working with stakeholders, such as OCIO, to address workflow deficiencies. This will now occur within the context of enhancements to the existing system.

Objective 3:	By March 31, 2026, Legal Aid NL will have identified, tested and implemented customizations required to address document management needs.
Indicators:	
Identified and submitted additional functional improvements requests to OCIO.	
Completed testing and implementation of proposed system enhancements.	
Communicated system improvements to staff and provided appropriate training.	

Opportunities and Challenges

Over the past year, Legal Aid NL reassessed its approach to modernizing its PMS in response to the evolving needs of the organization and the broader legal environment. Rather than proceeding with the procurement of a new system, Legal Aid NL will enhance and upgrade its existing system to better support program delivery and improve internal workflows. This shift allows for a more agile and cost-effective response to emerging needs, while maintaining continuity for staff and minimizing disruption to service delivery.

This decision marks an important step in strengthening Legal Aid NL's technological foundation. Working in partnership with the OCIO, Legal Aid developed a detailed workplan, identified system enhancements, and completed necessary infrastructure upgrades to support ongoing improvements. These efforts will ensure the system remains modern, responsive, and aligned with user requirements.

As evident in this report, the demand for Legal Aid NL's programs and services continues to grow. At the same time, increased staff attrition and a competitive recruitment environment, highlight the importance of improving productivity and efficiency across the organization.

Technology and workforce development continue to offer the most significant opportunities for meeting these challenges. Over the coming year, Legal Aid NL will leverage system enhancements and user-driven improvements to streamline workflows and build greater capacity within its teams to deliver timely, effective legal services.

Financial Statements

LEGAL AID NL

FINANCIAL STATEMENTS

MARCH 31, 2025

NEWFOUNDLAND AND LABRADOR LEGAL AID COMMISSION

FINANCIAL STATEMENTS

MARCH 31, 2025

Management's Report

Management's Responsibility for the Newfoundland and Labrador Legal Aid Commission Financial Statements

Management, in accordance with Canadian public sector accounting standards, has prepared the financial statements 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 for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded and liabilities are recognized.

Management is also responsible for ensuring that transactions comply with relevant policies and authorities and are properly recorded to produce timely and reliable financial information.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Board. The Board reviews internal financial information periodically and external audited financial statements yearly.

The Auditor General conducts an independent audit of the annual financial statements of the Commission in accordance with Canadian generally accepted auditing standards, in order to express an opinion thereon. The Auditor General has full and free access to financial management of the Newfoundland and Labrador Legal Aid Commission.

On behalf of the Newfoundland and Labrador Legal Aid Commission.

Harman Khurana, CPA, CMA CEO & Provincial Director	Laura Critch, CPA Manager of Finance

OFFICE OF THE AUDITOR GENERAL
NEWFOUNDLAND AND LABRADOR

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Newfoundland and Labrador Legal Aid Commission
St. John's, Newfoundland and Labrador

Opinion

I have audited the financial statements of the Newfoundland and Labrador Legal Aid Commission (the Commission), which comprise the statement of financial position as at March 31, 2025, and the statement of operations, statement of change in net financial assets, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at March 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Commission in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated. When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my 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.

Independent Auditor's Report (cont.)

- 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 Commission'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 Commission's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I 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 I identify during my audit.

SANDRA RUSSELL, CPA
Deputy Auditor General
July 31, 2025
St. John's, Newfoundland and Labrador

NEWFOUNDLAND AND LABRADOR LEGAL AID COMMISSION
STATEMENT OF FINANCIAL POSITION

As at March 31	2025	2024
FINANCIAL ASSETS		
Cash	**$ 12,404,845**	$ 8,062,134
Accounts receivable (Note 3)	**111,319**	115,076
	12,516,164	8,177,210
LIABILITIES		
Accounts payable and accrued liabilities (Note 4)	**2,721,848**	2,375,068
Employee future benefits (Note 5)	**35,886**	35,279
	2,757,734	2,410,347
Net financial assets	**9,758,430**	5,766,863
NON-FINANCIAL ASSETS		
Prepaid expenses (Note 6)	**228,585**	214,537
Tangible capital assets (Note 7)	**241,938**	359,454
	470,523	573,991
Accumulated surplus	**$ 10,228,953**	$ 6,340,854

Contractual obligations (Note 8)
Trusts under administration (Note 9)

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

Signed on behalf of the Board: ______________________ **Chairperson** ______________________ **Member**

NEWFOUNDLAND AND LABRADOR LEGAL AID COMMISSION
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2025 Budget	2025 Actual	2024 Actual
	Unaudited (Note 14)		
REVENUES			
Province of Newfoundland and Labrador Operating grants	$20,296,600	$20,296,600	$19,817,900
Law Foundation of Newfoundland and Labrador grant	3,000,000	4,357,087	4,234,745
Legal services	60,000	62,319	80,030
Interest	250,000	384,833	234,687
	23,606,600	25,100,839	24,367,362
EXPENSES (Note 10)			
Administration	6,977,401	7,105,509	6,545,446
Criminal law	9,219,112	9,205,211	8,325,004
Youth law	536,369	544,413	467,748
Civil law	4,436,345	4,357,607	4,810,727
	21,169,227	21,212,740	20,148,925
Annual surplus	2,437,373	3,888,099	4,218,437
Accumulated surplus, beginning of year	6,340,854	6,340,854	2,122,417
Accumulated surplus, end of year	$ 8,778,227	$ 10,228,953	$ 6,340,854

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

NEWFOUNDLAND AND LABRADOR LEGAL AID COMMISSION
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the Year Ended March 31	2025 Budget	2025 Actual	2024 Actual
	Unaudited (Note 14)		
Annual surplus	$ 2,437,373	$ 3,888,099	$ 4,218,437
Tangible capital assets			
Acquisition of tangible capital assets	(308,700)	(162,842)	(268,872)
Net book value of tangible capital assets disposal	-	194,745	927
Amortization of tangible capital assets	108,000	85,613	72,426
	(200,700)	117,516	(195,519)
Prepaid expenses			
Acquisition of prepaid expenses	-	(228,585)	(214,537)
Use of prepaid expenses	-	214,537	187,568
	-	(14,048)	(26,969)
Increase in net financial assets	2,236,673	3,991,567	3,995,949
Net financial assets, beginning of year	5,766,863	5,766,863	1,770,914
Net financial assets, end of year	$ 8,003,536	$ 9,758,430	$ 5,766,863

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

NEWFOUNDLAND AND LABRADOR LEGAL AID COMMISSION
STATEMENT OF CASH FLOWS

For the Year Ended March 31	2025	2024
Operating transactions		
Annual surplus	**$ 3,888,099**	$ 4,218,437
Adjustment for non-cash items		
Amortization	**85,613**	72,426
Bad debt expense	**8,080**	11,443
Loss on disposal of tangible capital assets	**194,745**	927
	4,176,537	4,303,233
Change in non-cash operating items		
Accounts receivable	**(4,323)**	(32,978)
Accounts payable and accrued liabilities	**346,780**	519,373
Employee future benefits	**607**	(49,591)
Prepaid expenses	**(14,048)**	(26,969)
Cash provided from operating transactions	**4,505,553**	4,713,068
Capital transactions		
Purchase of tangible capital assets	**(162,842)**	(268,872)
Cash applied to capital transactions	**(162,842)**	(268,872)
Net increase in cash	**4,342,711**	4,444,196
Cash, beginning of year	**8,062,134**	3,617,938
Cash, end of year	**$ 12,404,845**	$ 8,062,134

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

1. Nature of operations

The Newfoundland and Labrador Legal Aid Commission (the Commission) operates under the authority of the Legal Aid Act. The purpose of the Commission is to establish and administer a plan for the provision of legal aid for the residents of the Province of Newfoundland and Labrador.

The affairs of the Commission are managed by a Board of Commissioners consisting of the Assistant Deputy Minister of Justice and Public Safety (ex-officio), the Provincial Director of the Commission (ex-officio) and 7 members appointed by the Lieutenant-Governor in Council.

The Commission is a Crown entity of the Province of Newfoundland and Labrador and as such is not subject to Provincial or Federal income taxes.

2. Summary of significant accounting policies

(a) Basis of accounting

The Commission is classified as an Other Government Organization as defined by Canadian public sector accounting standards (CPSAS). Management, in accordance with CPSAS for provincial reporting entities established by the Public Sector Accounting Board (PSAB), prepares these financial statements. The Commission does not prepare a statement of remeasurement gains and losses, as the Commission does not enter into relevant transactions or circumstances that are being addressed by this statement. Outlined below are the significant accounting policies followed.

(b) Financial instruments

The Commission's financial instruments recognized in the statement of financial position consist of cash, accounts receivable, and accounts payable and accrued liabilities. The Commission generally recognizes a financial instrument when it enters into a contract that creates a financial asset or financial liability. Financial assets and financial liabilities are initially measured at cost, which is the fair value at the time of acquisition.

The Commission subsequently measures all of its financial assets and financial liabilities at cost or amortized cost. Financial assets measured at cost include cash. Financial assets measured at amortized cost include accounts receivable. Financial liabilities measured at cost include accounts payable and accrued liabilities.

The carrying value of cash, accounts receivable, and accounts payable and accrued liabilities approximate fair value due to their nature and/or the short-term maturity associated with these instruments.

Interest attributable to financial instruments is reported in the statement of operations.

2. Summary of significant accounting policies (cont.)

(c) Cash

Cash includes cash in bank and petty cash funds.

(d) Employee future benefits

(i) The cost of accumulating, non-vesting sick leave benefits is calculated based upon management's best estimate of its employees' sick leave utilization rates, sick leave balances, annual sick leave entitlements and current salary levels. Under the former annual leave policy, all employees hired before September 30, 1994 were credited with 2 days sick leave per month. After this date, the Commission moved to the new paid leave policy that did not include a sick leave entitlement. Accumulated benefits under the former policy may be used in future years and, if not used, the benefits cease upon termination of employment.

(ii) Under the Legal Aid Act, Commission employees shall be considered to be employed in the public service for the purpose of the Public Service Pensions Act, 2019. Employee contributions are matched by the Commission and then remitted to Provident[10] from which pensions will be paid to employees when they retire. The Public Service Pension Plan is a multi-employer defined benefit plan, providing a pension on retirement based on the member's age at retirement, length of service and the average of their best six years of earnings for service on or after January 1, 2015, and, for service before January 1, 2015, the higher of the average of the frozen best 5 years of earnings up to January 1, 2015, or the average of the best 6 years of earnings for all service.

The contributions from the Commission to the plan are recorded as an expense for the year.

(e) Tangible capital assets

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

The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Office furniture and equipment	5 years
Computer equipment	5 years
Software development	5 years
Leasehold improvements	Lesser of 5 years or remaining life of the rental agreement.

2. Summary of significant accounting policies (cont.)

(e) Tangible capital assets (cont.)

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

(f) Prepaid expenses

Prepaid expenses are charged to expense over the periods expected to benefit from it.

(g) Revenues

Revenues are recognized in the period in which the transactions or events occurred that give rise to the revenues. 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 (Province of Newfoundland and Labrador operating grants) are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except when and to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulations related to the liabilities are settled.

The Law Foundation of Newfoundland and Labrador Grant revenue has no performance obligations as the Law Foundation must transfer two-thirds of the net revenue received in each calendar year directly to the Commission as per Part IV of the *Law Society Act, 1999*.

Revenue from Legal Services has no performance obligations as the Commission's authority to recover costs, disbursements and fees for professional services comes from the *Legal Aid Act and Regulations.* These revenues are recognized when the Commission has the authority to claim or retain an inflow of economic resources and can identify the past event that gives rise to the revenue.

Interest revenue is recognized as earned.

There is no revenue from non-recurring activities with performance obligations presented in these financial statements.

2. Summary of significant accounting policies (cont.)

(h) Expenses

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

(i) Measurement uncertainty

The preparation of financial statements in conformity with CPSAS requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include the collectability of accounts receivable, expected useful life of tangible capital assets and the accrual for legal fees and disbursements-private bar.

Estimates are based on the best information available at the time of 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 these estimates.

3. Accounts receivable

	2025	2024
Legal services	$ 99,615	$ 84,659
Harmonized Sales Tax	36,299	46,932
	135,914	131,591
Less: Allowance for doubtful accounts	(24,595)	(16,515)
	$ 111,319	$ 115,076

4. Accounts payable and accrued liabilities

	2025	2024
Trade	$ 351,907	$ 288,555
Legal fees and disbursements-private bar	210,202	97,862
Salaries and benefits	2,159,739	1,988,651
	$ 2,721,848	$ 2,375,068

5. Employee future benefits

Employee future benefits consist of:

	2025	2024
Severance pay	$ 33,305	$ 33,305
Accumulating, non-vesting sick leave benefit liability	2,581	1,974
	$ 35,886	$ 35,279

(a) Severance pay

Executive, management, and non-management/non-union employees of the Commission as at May 31, 2018 were entitled to severance pay. No further severance will accrue for these employees after May 31, 2018. All employees had the option of receiving their severance entitlement prior to March 31, 2019 or deferring it to a later date.

The severance liability as at March 31, 2025 represents severance owing to an employee who deferred receiving their severance entitlement.

5. Employee future benefits (cont.)

(b) Accumulating, non-vesting sick leave benefits

All employees hired before September 30, 1994, were credited with two sick days per month for use as paid absences during the year due to illness. Subsequent to September 30, 1994, the Commission moved to the new paid leave policy that did not include a sick leave entitlement. Sick leave benefits accumulated prior to September 30, 1994, may be used in future years and, if not used, the benefits cease upon termination of employment. For the year ended March 31, 2025, a sick leave liability was calculated for three employees.

(c) Pension contributions

Under the Legal Aid Act, the Commission's employees are subject to the Public Service Pensions Act, 2019. The Public Service Pension Plan is administered by Provident[10], including payment of pension benefits to employees to whom the Act applies. The Plan is a multi-employer, defined benefit plan.

The plan provides a pension to employees based on their age at retirement, length of service and rates of pay. The maximum contribution rate for eligible employees was – 11.85% (2024 - 11.85%). The Commission's contributions equal the employee contributions to the plan. Total pension expense for the Commission for the year ended March 31, 2025, was $1,404,218 (2024 - $1,284,641).

6. Prepaid expenses

	2025	2024
Bar fees and insurance	**$ 124,529**	$ 108,748
Computer support	**9,195**	8,016
Prepaid human resources expenses	**15,021**	4,563
Prepaid travel	**31,588**	54,935
Workplace Health, Safety and Compensation Commission	**48,252**	38,275
	$ 228,585	$ 214,537

7. Tangible capital assets

Original Cost

	Balance March 31, 2024	Additions	Disposals	Balance March 31, 2025
Office furniture and equipment	$ 1,265,541	$ 22,214	$ (303,405)	$ 984,350
Computer equipment	1,054,151	61,294	(194,833)	920,612
Software development	265,208	67,563	(193,796)	138,975
Leasehold improvements	161,689	11,771	-	173,460
	$ 2,746,589	$ 162,842	$ (692,034)	$ 2,217,397

Accumulated Amortization

	Balance March 31, 2024	Amortization	Disposals	Balance March 31, 2025	Net book value March 31, 2025	Net book value March 31, 2024
Office furniture and equipment	$ 1,199,106	$ 19,325	$ (302,655)	$ 915,776	$ **68,574**	$ 66,435
Computer equipment	892,795	62,439	(194,634)	760,600	**160,012**	161,356
Software development	138,411	283	-	138,694	**281**	126,797
Leasehold improvements	156,823	3,566	-	160,389	**13,071**	4,866
	$ 2,387,135	$ 85,613	$ (497,289)	$ 1,975,459	**$ 241,938**	$ 359,454

8. Contractual obligations

The Commission has entered into agreements requiring lease payments for office and equipment rental as follows:

2026	$ 415,324
2027	67,824
2028	67,824
2029	67,824
2030 to 2034	305,208
	$ 924,004

9. Trusts under administration

Assets held in trust of $219,976 (2024 - $92,629) include amounts received by the Commission for legal services which have yet to be completed. When a contract for legal services is entered into with a client, a provision may be made in the contract for periodic payments to be made to the Commission while the legal services are being provided. Once the legal services have been completed, any payments received at that time will be combined with the general funds of the Commission. Any payments received under these contracts subsequent to the completion of legal services will be recorded with the general funds of the Commission immediately. Assets held in trust also include amounts received by the Commission, such as settlements, which will be disbursed once the related services have been completed.

10. Expenses by object

	2025 Budget Unaudited (Note 14)	**2025 Actual**	2024 Actual
Amortization	**$ 108,000**	**$ 85,613**	$ 72,426
Bad debt expense	**-**	**8,080**	11,443
Bar fees and insurance	**186,650**	**194,226**	161,230
Commissioners' fees and expenses	**60,800**	**51,010**	50,473
Conference and education	**177,000**	**137,130**	156,562
Legal fees and disbursements	**1,019,400**	**1,090,492**	1,014,082
Library fees	**46,400**	**43,713**	44,253
Loss on disposal of tangible capital assets	**-**	**194,745**	927
Miscellaneous	**6,000**	**5,619**	5,476
Office and equipment rental	**1,377,564**	**1,378,625**	1,367,009
Office expense	**463,225**	**420,599**	406,205
Salaries and benefits	**17,579,438**	**17,456,316**	16,721,067
Telephone and light	**102,000**	**106,938**	98,398
Travel	**42,750**	**39,634**	39,374
	$21,169,227	**$21,212,740**	$20,148,925

11. Related party transactions

Province of Newfoundland and Labrador:

During the year, the Commission received $20,296,600 (2024 - $19,817,900) from the Province in Operating grant revenue.

The Office of the Chief Information Officer (OCIO), an entity within the Executive Council of the Province, provides Information Technology (IT) support services to the Commission. These IT costs are reflected in these financial statements for $99,848 (2024 - $99,839). These transactions are recorded at their carrying amount.

12. Financial risk management

The Commission recognizes the importance of managing risks and this includes policies, procedures and oversight designed to reduce risks identified to an appropriate threshold. The risks that the Commission is exposed to through its financial instruments are credit risk, liquidity risk and market risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission's main credit risk relates to cash and accounts receivable. The Commission's maximum exposure to credit risk is the carrying amounts of these financial instruments. The Commission is not exposed to significant credit risk with its cash because this financial instrument is held with a Chartered Bank.

The Commission is exposed to significant credit risk related to its accounts receivable relating to amounts owed from clients. Legal aid clients enter into a payment program based on a contract for the provision of legal services, and the accounts receivable balance is comprised primarily of small amounts held by a large client base. Any estimated impairment of these accounts receivable has been provided for through a provision for doubtful accounts as disclosed in Note 3.

There have been no significant changes from the previous year in the exposure to credit risk or policies, procedures and methods used to manage credit risk.

Liquidity risk

Liquidity risk is the risk that the Commission will be unable to meet its contractual obligations and financial liabilities. The Commission's exposure to liquidity risk relates mainly to its accounts payable and accrued liabilities, and its contractual obligations. The Commission manages liquidity risk by monitoring its cash flows and ensuring that it has sufficient resources available to meet its contractual obligations and financial liabilities. The future minimum payments required from the Commission in relation to its contractual obligations are outlined in Note 8.

12. Financial risk management (cont.)

There have been no significant changes from the previous year in the exposure to liquidity risk or policies, procedures and methods used to manage liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency (foreign exchange) risk, interest rate risk and other price risk. The Commission is not exposed to significant foreign exchange risk or other price risk. The Commission is not exposed to significant interest rate risk related to cash because of its nature.

There have been no significant changes from the previous year in the exposure to market risk or policies, procedures and methods used to manage market risk.

13. Non-financial assets

The recognition and measurement of non-financial assets is based on their service potential. These assets will not provide resources to discharge liabilities of the Commission. For non-financial assets, the future economic benefit consists of their capacity to render service to further the Commission's objectives.

14. Budget

Budgeted figures are unaudited and have been prepared on a cash basis. They are provided for comparison purposes and have been approved by the Commission's Board.