

LEGAL AID ONTARIO
2024 - 2025
ANNUAL
REPORT

Table of contents

LEADERSHIP MESSAGE.....	5
Message from the Chair and CEO	6
ABOUT LAO	7
Introduction	8
Services at a glance	9
Clients at a glance	11
Board of directors	14
Board governance	15
Advisory committees	16
Test Case Committee	16
Exceptions Committee	17
YEAR IN REVIEW	18
LAO-specific priorities	19
1. Supporting the court recovery process.....	19
2. Addressing the 2022-23 mandate review recommendations.....	23
3. Addressing audit review recommendations.....	27
Government-wide priorities for provincial board-governed agencies.....	28
1. Competitiveness, sustainability and expenditure management.....	28
2. Transparency and accountability	28
3. Risk management	29
4. Workforce / Labour management	29
5. Diversity and inclusion	29
6. Data collection, sharing and use	30
7. Digital delivery and customer service	31
KEY PERFORMANCE INDICATORS	33
Organizational health.....	34
Service measures	35
FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS	41
APPENDIX A: AUDITED FINANCIAL STATEMENTS.....	49

Legal Aid Ontario
20 Dundas Street West,
Suite 730
Toronto, Ontario M5G 2H1

Toll-free: 1-800-668-8258

Email: info@lao.on.ca

Website: www.legalaid.on.ca

Ce document est disponible en français.

Legal Aid Ontario receives financial assistance from the Government of Ontario, the Law Foundation of Ontario, and the Government of Canada.

October 17, 2025

The Honourable Doug Downey
Attorney General of Ontario
720 Bay Street, 11th floor
Toronto, Ontario
M7A 2S9

Dear Minister,

Please accept, in accordance with the Agencies and Appointments Directive, Legal Aid Ontario's annual report for the year ended March 31, 2025.

We are very grateful for your ongoing personal commitment to Legal Aid Ontario, and that of the Government of Ontario, which ensures that the agency is able to continue to provide the services needed by low-income, vulnerable Ontarians.

Sincerely,

A handwritten signature in black ink, appearing to be 'J.S.A. Pengelly', with a stylized flourish at the end.

J.S.A. (Steve) Pengelly
Chair, Legal Aid Ontario Board of Directors

LEADERSHIP MESSAGE

Message from the Chair and CEO

This year's annual report highlights Legal Aid Ontario's (**LAO**) continued dedication to delivering high-quality legal aid services to low-income Ontarians, while advancing innovation, equity and sustainability across the justice system. In 2024-25, LAO made significant progress on the priorities outlined in the Attorney General's Letter of Direction and our own 2024-25 Business Plan, which focused on five key areas: 1) client-centred services, 2) talent attraction and retention, 3) justice sector support, 4) equity and inclusion, and 5) information technology.

Throughout the year, LAO responded to growing demand with agility and purpose. With the Attorney General's support, we expanded access to legal aid by increasing financial eligibility thresholds (**FET**) for a three-year period, launching new programs to support vulnerable clients, and enhancing our digital infrastructure to improve service delivery. Our duty counsel (**DC**) and certificate programs served more clients than ever before, while new initiatives, like the Self-Represented Court pilot, will help to address systemic delays and improve outcomes in the courts.

We also took meaningful steps to support the people who deliver our services. From implementing the next phase of tariff reforms to launching the "Accelerate" leadership development program, LAO invested in the professional growth of roster lawyers, our staff and service providers working in clinics. These efforts are helping us build a more resilient, inclusive and responsive organization.

Our financial stewardship remained strong. Strategic investments in technology, data governance, and performance measurement, are laying the foundation for long-term sustainability and innovation.

We are proud of the progress made this year and grateful to the many people who made it possible — our staff, roster lawyers, staff of entity service providers, board members, Ministry of the Attorney General and justice sector participants. Together, we are building a legal aid system that is more accessible, more equitable, and better equipped to meet the needs of Ontarians today, and into the future.



Steve Pengelly
Board Chair, Legal Aid Ontario



Aileen Page
President & CEO, Legal Aid
Ontario

ABOUT LAO

Introduction

The purpose of the *Legal Aid Services Act, 2020* (**LASA**) is to facilitate the establishment of a flexible and sustainable legal aid system that provides effective and high-quality legal aid services throughout Ontario, in a client-focused and accountable manner while ensuring value for money.

LAO's mandate and service principles are outlined in s.17 of LASA as follows:

Objects

- Establish and administer a flexible and sustainable system for providing legal aid services to individuals in Ontario;
- Establish policies and priorities for the provision of legal aid services based on its financial resources;
- Facilitate co-ordination among the different legal aid services that are provided and the manner in which they are provided, including through different service providers;
- Monitor and supervise the provision of legal aid services in Ontario; and
- Advise the Minister on all aspects of legal aid services in Ontario, including any features of the justice system that affect, or may affect, the demand for or quality of legal aid services.

Principles

- Promote access to justice
- Be efficient, effective and high-quality
- Operate in a client-focused, innovative, transparent and accountable manner
- Be responsive to the needs of low-income individuals and disadvantaged communities in Ontario
- Promote early resolution, where appropriate
- Coordinate with other aspects of the justice system and with community services
- Make continual efforts to maintain and improve the effectiveness and quality of legal aid services while ensuring value for money.

Services at a glance

LAO offers clients a range of legal aid services in English and French, from legal information to representation. Legal aid services are delivered by staff lawyers employed by LAO, through LAO's roster of private bar lawyers, and through entity service providers (community legal clinics, student legal services organizations and Indigenous legal services organizations).

Financially eligible, low-income Ontarians may receive legal aid services in a number of areas of law, including:

- Family and child protection law
- Immigration and refugee law
- Criminal law
- Poverty law
- Mental health law

In court

DC are lawyers who can quickly assess a client's legal problems and provide advice and representation to eligible clients who would otherwise be unrepresented or unassisted in the courtroom. The total DC program cost of \$88.2 million for 2024-25 resulted in 923,612 assists to clients.

Service online and over the phone

Toll-free services and services provided over the website, chat and online portal include information, referrals, summary legal advice, and taking legal aid applications.

Representation by a private lawyer

Eligible clients may apply for and receive a certificate, which functions as a voucher that covers the cost of a lawyer for a specified number of hours. Certificates are issued for matters in different areas of law, including criminal, family, and immigration and refugee law. Expenditures for certificates totaled \$237.5 million. Through all channels, LAO processed 154,899 applications for certificate services, with 135,811 certificates issued to clients.

Community legal clinics

LAO funds 59 general service community legal clinics (\$79 million) and 13 specialty clinics (\$18.4 million) across the province. Community legal clinics provide legal services to help low-income people and communities in the area of poverty law including housing and shelter, income maintenance, and social assistance, as well as human rights. Specialty clinics focus on specific areas of law, serving as a resource for other clinics and helping clients who are underserved (e.g., seniors, people living with HIV/ AIDS, persons with disabilities, Indigenous, Black and racialized communities). This funding supported a range of services

in the areas noted above, including 124,151 new cases and 6,265 community development, advocacy and communications initiatives.

Student legal services organizations (SLSOs)

LAO also funds eight SLSOs operating out of Ontario's eight law schools (\$6.7 million). Full-time lawyers supervise volunteer law students who provide legal advice and representation to clients with matters such as landlord and tenant issues, immigration cases, and minor criminal matters.

Indigenous Legal Services Organizations (ILSOs)

LAO funds three ILSOs that offer culturally appropriate support and legal aid services to First Nation, Inuit and Métis clients and communities (\$5.6 million). ILSOs provide direct client services in a manner that meets the unique needs of Indigenous communities and clients.

Clients at a glance

LAO clients

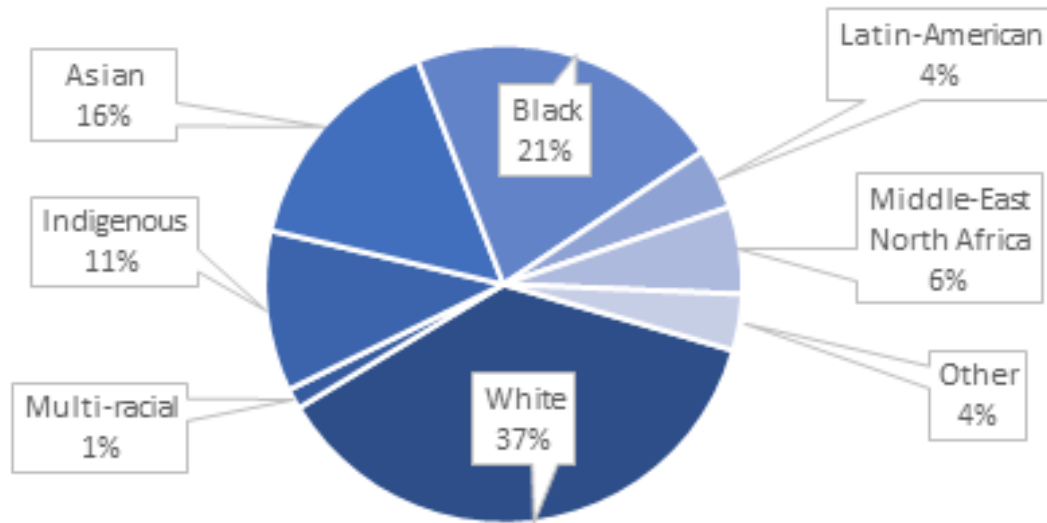
Keeping clients at the centre of everything we do is essential to our work. LAO services are delivered to a diverse range of clients throughout the province. Data enables us to better understand trends and correlations, which in turn helps us better serve all our clients. The most recent data includes a focus on vulnerable client groups, with a breakdown of the number of clients by gender, race, age and family size.

Across all areas of law, the gender mix of clients varies based on the type of services provided. Among certificate clients, most criminal law clients identify as male, as do most mental health law clients and refugee clients. The majority of family law clients identify as female. In clinic law, most clients identify as female. LAO continues to refine how we collect information from clients in a respectful and confidential way to ensure the highest data quality possible. This data is valuable as it guides us in how we can enhance the ways we work and engage with gender diverse clients, including but not limited to Two-Spirit, transgender, and non-binary individuals to ensure high-quality and responsive services.

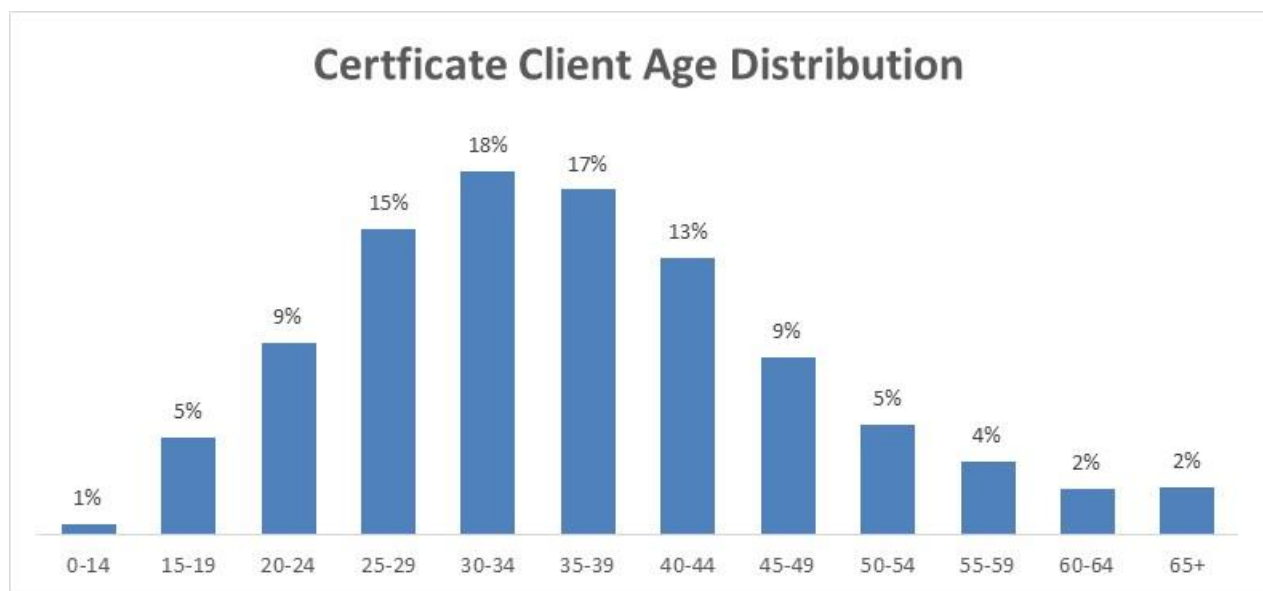
Compared to the province-wide population, Indigenous and Black clients are overrepresented in LAO's client base. Although only 2.9 per cent of Ontarians identify as Indigenous, 24 per cent of LAO's criminal certificate clients are Indigenous, as are 13 per cent of family certificate clients. Similarly, only 5 per cent of Ontarians are Black, compared with 21 per cent of LAO certificate clients across all areas of law. LAO's Racialized Communities Strategy and new Indigenous Services department work to reduce barriers and deliver high-quality, culturally appropriate services to support these vulnerable client groups.

The following charts and information demonstrate the diversity of our certificate clients.

LAO Certificate Clients by Race (all areas of law)

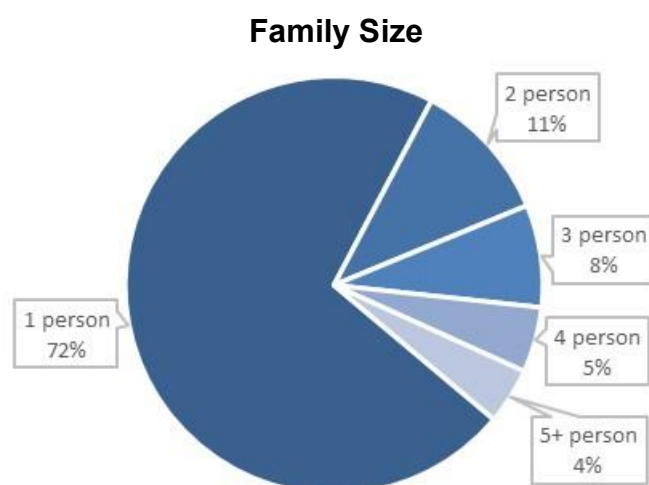


Nearly half of certificate clients at LAO (48 per cent) are under 35 years of age and almost 80 per cent are under 45 years of age. Criminal clients tend to be, on average, younger than clients with matters in other areas of law.



Expanding eligibility for legal aid

LAO's certificate financial eligibility threshold (**FET**) varies by family size, with the threshold increasing as family size increases. Single persons make up over 84 per cent of criminal certificates and 72 per cent of LAO's total certificate issuance.



In March 2025, LAO significantly expanded financial eligibility thresholds for Duty Counsel (**DC**) services and for criminal certificates. For criminal certificates, and for criminal and family DC services, the income threshold increased to **\$45,440** for individuals and families of up to four people. The asset threshold for both certificate and DC services increased to **\$15,000** regardless of family size. For families of five or more, the income threshold remained unchanged; however, the asset limit increased to \$15,000. These increases remain in effect through spring 2028, and will allow clients who were previously financially ineligible to receive advice in court from DC lawyers, and to hire a legal aid lawyer if they are facing criminal charges. These changes will enhance equitable access to justice and support the province's goal to reduce the backlog in criminal courts.

Number of family members	LAO FET	New LAO Criminal Certificate and DC FET
1 person	\$18,795	\$45,440
2 persons	\$32,131	\$45,440
3 persons	\$39,352	\$45,440
4 persons	\$45,289	\$45,440
5 persons	\$50,803	\$50,803

Board of directors

In 2024-25, LAO welcomed three new directors to our board. LAO's board of directors has 11 members with diverse subject matter expertise.

Board members are appointed by the Lieutenant Governor of Ontario, on the recommendation of the Attorney General. Five individuals are selected by the Minister from a list of persons recommended by the Law Society of Ontario (**LSO**), the organization that regulates, licenses and disciplines Ontario's more than 57,000 lawyers and 10,000 paralegals. The Lieutenant Governor, on the recommendation of the Minister in consultation with the LSO, appoints one of those members to serve as chair of the board. The CEO serves as an ex-officio (non-voting) member of the board.

Name	Position	Term start date	Term end date	Remuneration / expenses paid in 2024-25
James Stephen Pengelly	Chair	April 2022	April 2028	\$155,769.21
Jennifer Gold	Current member	Dec. 2020	Dec. 2025	\$4,500.00
Deborah Moriah	Current member	Jan. 2021	Jan. 2026	\$5,250.00
Bryn Gray	Current member	Jan. 2021	Jan. 2026	-
Peter Johnson	Current member	Jan. 2021	Jan. 2026	\$6,187.50
Louise Harris	Current member	Sept. 2022	Sep. 2027	\$8,625.00
Melanie Debassige	Current member	Jan. 2023	Jan. 2028	-
Sara Wisking	Current member	Jan. 2024	Jan. 2026	\$5,812.50
Erin Betts	Current member	July 2024	July 2027	\$3,750.00
Christine Simundson	Current member	Aug. 2024	Aug. 2028	\$2,625.00
Brook Dyson	Current member	Aug. 2024	Aug. 2026	\$2,812.50
Aileen Page	President & CEO / Ex officio Board member	Feb. 2025	N/A	N/A

Board governance

LAO's board governance structure includes standing committees of the board established in accordance with LASA to assist the board in fulfilling its oversight responsibilities.

These committees review matters brought forward by management and make recommendations to the board of directors in their respective areas of responsibility.

Committee charters are established by the board to set out the committee's authority, roles and responsibilities.

Audit and finance committee	Human resources committee	Nominating and corporate governance committee
Chair Jennifer Gold	Chair Peter Johnson	Chair Board chair
Membership <ul style="list-style-type: none"> • Bryn Gray • Melanie Debassige • Peter Johnson • Sara Wisking • Brook Dyson • Steve Pengelly, non-voting member • Aileen Page, ex-officio non-voting member 	Membership <ul style="list-style-type: none"> • Deborah Moriah • Louise Harris • Erin Betts • Christine Simundson • Steve Pengelly, non-voting member • Aileen Page, ex-officio non-voting member 	Membership <ul style="list-style-type: none"> • Full board of directors

Advisory committees

Nine committees, made up of experienced legal aid providers and subject matter experts, provide feedback and ideas to LAO staff in the areas of:

- Clinic law
- Criminal law
- Family and child protection law
- French language services
- Immigration and refugee law
- Indigenous issues
- Mental health law
- Prison law
- Racialized communities

The advisory committees provide a flexible channel for input on how LAO can better serve clients.

Test Case Committee

This committee is comprised of senior LAO staff with expertise in different areas of law. Through an application process, the committee provides funding for meritorious test cases that support individual client interests and promote access to justice for low-income individuals where the outcome can affect a large number of legal aid clients, effectively and efficiently utilizing public funding to bring a novel issue before the courts. The committee focuses its test case funding on litigation to support particularly disadvantaged communities who are unlikely to be in a position to advance their case without that funding.

The Test Case Committee has funded successful litigation at all levels of court, including the Supreme Court of Canada, as well as before various administrative tribunals and inquests. The funding is often accompanied by in-kind support from service providers. Over the past year, the committee has supported a number of important access-to-justice cases, including:

- strengthening *Charter* protections for privacy in the context of border searches of digital devices;
- safeguarding fair trial rights by ensuring juries are not influenced by racial stereotypes, biases, or prejudices; and
- enhancing protections for patients in the mental health system by limiting the authority of tribunals to make findings or impose treatment orders without sufficient medical evidence.

Exceptions Committee

LAO established an Exceptions Committee (**EC**) in 2001, which acts as an advisory and risk management body on complex or lengthy criminal cases where costs may exceed \$75,000 or may be difficult to estimate due to the complex issues that may arise in the matter.

The EC is comprised of roster members who have demonstrated experience in long and complex cases.

The EC reviews materials submitted by counsel who are requesting a budget. The EC interviews counsel who are making the request and seeks further detail and clarification before making budget recommendations to LAO. LAO is the final decision-maker on budgets. In its review of the EC's budget recommendations, LAO is guided by an assessment of what a reasonable client of modest means would do in similar circumstances, and by reviews of budgets from comparable cases from the past.

YEAR IN REVIEW

The 2024-25 fiscal year was a period of significant progress for LAO, as we worked to fulfill our mandate and deliver high-quality legal services to Ontarians. This section of the annual report highlights the year's key initiatives and accomplishments, demonstrating how LAO responded to both internal and external priorities.

Our work in 2024-25 was guided by two key documents:

- **2024–25 Letter of Direction from the Attorney General**, which outlined LAO-specific and government-wide priorities to be addressed during the fiscal year.
- **LAO's 2024–25 Business Plan**, which identified five organizational focus areas critical to our success and aligned with the Letter of Direction:
 1. Strengthening core mandate services
 2. Attracting and retaining external service providers and internal talent
 3. Supporting justice system recovery
 4. Transforming and modernizing technology infrastructure and systems
 5. Reconciliation, anti-racism, and equity, diversity and inclusion

This “Year in review” section provides a comprehensive overview of how LAO delivered on the priorities set out in the Letter of Direction and advanced the goals outlined in our Business Plan. To support transparency and ease of reference, the following section is organized by the Letter of Direction priorities, and each part of the section concludes by identifying how the initiatives align with one or more of the five Business Plan focus areas.

LAO-specific priorities

1. Supporting the court recovery process

In 2024-25, LAO played a key role in advancing justice system recovery efforts across Ontario. Through collaboration with justice sector participants, targeted service enhancements and innovative pilot projects, LAO worked to reduce delays, improve access and support the modernization of court operations. The following initiatives reflect LAO's commitment to strengthening the justice system and ensuring timely, effective legal support for clients.

FET increases

In 2024-25, LAO implemented an increase to FET for family and criminal DC services and criminal certificate services to help more low-income Ontarians get the legal help they need. The expansion of the FET will be in effect until spring 2028 and it is projected that around 178,000 additional DC clients will be served in 2025-26, and approximately 12,200 additional certificates will be issued over a three-year period.

The increases mean that more people will receive advice from DC lawyers in court. They will also allow more people facing criminal charges to hire a legal aid lawyer, reducing the number of individuals who represent themselves in court. Legal representation, particularly where one's liberty is at stake, ensures due process and the protection of individual rights in the justice system. When people are unrepresented and cases are not dealt with in a timely manner, individuals' rights may be compromised and their lives and the lives of their families may be significantly impacted, including with respect to housing and employment. Legal aid is vital to the efficient and effective functioning of the justice system, and to maintaining public confidence in the results the system produces.

Senior Counsel services for family law clients

The Senior Counsel Family Program was launched in January 2025 and connects experienced staff lawyers with family law and child protection clients who may face unique challenges with receiving legal assistance through the traditional certificate program. In the first three months of the program, 136 family senior counsel cases were opened.

The mandate of the program is to assist particularly vulnerable clients with complicated legal needs who require additional support but cannot find a lawyer to represent them. As part of LAO's strategy to attract and retain talent, the program's lawyers will also provide mentorship to the private bar, DC, and LAO staff.

The program is intended to expand LAO's family law services and will be offered in locations across the province with a significant unmet demand for family lawyers to help clients in need.

Summary Legal Advice (SLA) services

The centralized SLA model was reintroduced in 2024–25 to better coordinate the delivery of summary legal advice. The new model aims to improve consistency, efficiency, and accessibility, particularly for clients navigating family and criminal law issues.

From January 1, 2025 to March 31, 2025, the SLA team completed approximately 8,900 client interactions (successful call-backs), reaching 81 per cent of the clients referred to the program. In the same timeframe, 1,025 live calls were transferred to the SLA family live call service, with each call lasting 20 minutes on average.

There have been significant improvements in achieving the call-back service standard of two days. In December 2023, the call back time was 12 business days for family and 11 business days for criminal law matters. By December 2024, the two-day service standard was met for family, while calls for criminal SLA were returned within three business days.

Certificate Management Transition (CMT)

The CMT project advanced through key milestones in 2024-25, with the goal of replacing legacy processes with a more agile and automated system. A centralized application process for private bar lawyers seeking admission to the LAO roster has been

implemented in four of six districts. Work is actively underway to transition the two remaining districts, with full implementation expected by Q3 of 2025-26.

The consistencies and efficiencies created by this system allowed resources to be reallocated to priority client-facing services and in-court work, including expanding the role of legal aid workers (**LAWs**). LAWs in the districts are now focusing on courthouse-based legal aid services, speaking to matters in criminal court, and assisting clients with bail planning. This change has created greater capacity and allowed staff and per diem DC to focus on providing substantive legal assistance and supporting meaningful court appearances for clients.

DC program enhancements to support virtual service delivery

Tailoring resources on a courthouse-by-courthouse basis enhanced LAO's ability and flexibility to deploy resources from across the province to meet demand. In 2024-25, LAO continued to expand paperless file management and electronic file sharing initiatives at the district level to support virtual service delivery through faster document access and fillable forms that minimize data entry errors and enable faster processing.

Participation in Ontario Court of Justice (OCJ) forums

Senior LAO leadership participated in the OCJ's Provincial Case Management Forums which brought together senior leadership from all justice participants across the province to discuss local and systemic challenges and develop solutions to address the backlog of criminal and family cases. Through these forums and LAO's ongoing work with the OCJ, LAO has played a key leadership role in working to address critical issues like timely disclosure, streamlining processes, ensuring court appearances are meaningful, and reducing the number of self-represented individuals.

In addition, LAO leadership participated in the Social Services and Agency Forum, which brought together agencies that support clients in the justice system to discuss how they could better coordinate and obtain feedback on the community justice hub concept.

New OCJ practice directions for criminal cases

In collaboration with other justice sector participants, LAO supported the rollout and operationalization of new OCJ practice directions. The directions were aimed at reducing court backlogs and delays in bail courts, and ensuring *Jordan*-compliant trial scheduling to protect an accused person's constitutional right to a trial within a reasonable timeframe. LAO contributed through DC scheduling adjustments, stakeholder coordination and policy feedback to promote efficient proceedings and streamline criminal case management.

New Toronto Courthouse (Toronto Courthouse and Bail Centre Post-Amalgamation Project)

LAO supported the transition of services to the new Toronto Courthouse, to assist in ensuring continuity of service and effective coordination with court operations. Post-

amalgamation adjustments were made to DC deployment and intake procedures to reflect the new courthouse layout and service demands as the justice system transitioned to more in-person and hybrid services.

Collaboration with the Superior Court of Justice (SCJ)

In early 2024, LAO's Toronto District collaborated with the judiciary at the SCJ, the Crown Attorney's office and Court Services to offer DC services for unrepresented individuals at *Myers* reviews. During 2024-25, LAO provided legal representation to unrepresented individuals on the day of their hearing, filling a gap that previously existed. With the support of institutional DC, unrepresented individuals met with a staff lawyer prior to their hearing to discuss and prepare for their *Myers* hearing. All stakeholders are committed to the continued success of this initiative.

Expanded bail specialists

To improve client outcomes in complex bail cases, LAO created expanded bail specialist roles. LAO assigned staff in the East and Central East districts to focus on complex bail matters, including detention reviews and also attending Courts which apply the principles of *R. v. Myers* as noted above. Detention reviews entitle an accused person in pre-trial custody to a determination of the necessity of their detention. Bail specialist staff were in addition to the staff supporting detention reviews in Toronto. By having dedicated bail specialists and assistance for self-represented accused in the SCJ available, LAO helps clients not assisted by private counsel to have access to lawyers who can help them with issues requiring applications to the SCJ and other complex bail litigation. This service will help to address bail court delays.

Dedicated Self-Represented Case Management Court

In cooperation with MAG and the OCJ, LAO designed an 18-month justice system pilot, to be launched in 2025-26, to create a dedicated Self-Represented Case Management Court (**SRC**) at the OCJ-Toronto. The goal is to address the challenges and delays that self-represented individuals are experiencing in the criminal court process. This initiative pilots a fully in-person, dedicated case management court for all unrepresented accused, who will receive DC services and navigational supports, regardless of financial eligibility. In 2024-25, LAO recruited DC and LAWs, and took the lead by hiring four system navigators, piloting a new role that provides self-represented accused with information about court processes, assistance identifying next steps and obtaining disclosure, and connections to available resources. In addition, through dedicated staffing by Crown Law Division, DC will be able to provide meaningful disclosure review, negotiation and resolution services to self-represented individuals on the day of court, leading to more efficient resolutions.

Enhance and expand in-person and remote tribunal and court-based service

To respond to the changing needs of our clients and to support justice system efforts to reduce court backlogs, baseline DC services were expanded. These included the provision

of advice and representation at Criminal Judicial Pre-Trials (**JPTs**) that are resolution oriented, and Judicial Settlement Conferences in family law. New service guides were distributed to external stakeholders, including the judiciary, to promote awareness of the full range of DC services. This service expansion will improve overall client service delivery and create growth and development opportunities for lawyers and LAWs.

The initiatives in the above section align with LAO's 2024-25 focus areas: Supporting justice sector recovery and strengthening core mandate services.

2. Addressing the 2022-23 mandate review recommendations

A) **Independently proposing or implementing new initiatives in overseeing the provision of legal services**

In 2024–25, LAO proposed and advanced new initiatives designed to strengthen the delivery and oversight of legal aid services across Ontario. This work focused on expanding access to justice for vulnerable populations, modernizing service delivery models, and improving operational efficiency. From increasing FET to launching new programs and enhancing virtual service capabilities, LAO demonstrated leadership and creativity in responding to evolving client needs and system demands. See LAO-specific priorities: Supporting the court recovery process, above, for more details about the progress achieved in 2024–25.

B) **Continue working to improve oversight of legal clinics**

In 2022, the clinics and SLSOs determined to be low risk entered into three-year service agreements under the *Legal Aid Services Rules*. In 2024-25, new three-year service agreements were signed by low-risk clinics and SLSOs, taking effect on April 1, 2025.

Entering 80 new agreements at the start of the fiscal year demonstrates the effectiveness of the *Legal Aid Services Rules*, which establish a framework for LAO's oversight of funding recipients that aligns with the OPS Transfer Payment Accountability Directive.

In addition, significant progress was made in 2024-25 on the following key policy updates and initiatives:

- The Legal Disbursements Policy was revised to align with *LASA 2020*.
- LAO collaborated with the Association of Community Legal Clinics of Ontario (**ACLCO**) and MAG to address compensation pressures and is currently focused on implementing French Language Services Active Offer Standards.
- LAO worked with an external expert in designing funding formulas based

on weighted criteria such as the Low-Income Measure and community demographics to develop options for the allocation of funding according to client need.

C) Develop and enhance additional goals/strategies related to its mandate

LAO's 2025-30 strategic plan provides a blueprint to achieve our mandate, and the plan aligns directly with government priorities. It establishes strategic goals with specific guidelines to achieve success. The plan includes key performance indicators (**KPIs**) and key risk indicators (**KRIs**) to demonstrate value for money, improve accountability and reporting, and measure success.

D) Increasing innovative capacity and exploring innovative service delivery models

Many initiatives undertaken in 2024-25, are laying the foundation for future innovations. Investments in our technology infrastructure and processes build capacity for innovation. Work that supports this priority includes:

- **Business Process Review (BPR):** A comprehensive BPR of client-facing processes and services was conducted to map workflows and inform future systems design. This review included cross-functional input and laid the groundwork for future systems integration and modernization.
- **Wi-Fi in the courts:** The return to courthouse locations since the COVID-19 pandemic has highlighted both the limited coverage of existing Wi-Fi infrastructure and the need for LAO to have reliable, higher capacity connectivity in courthouse sites to ensure both service delivery to our clients and support to the courts. Due to the increasing need for LAO to provide services in a hybrid format (virtual and in-person) from the courthouses, and the increased volume of digital disclosure and court filings, there is a greater reliance on video technology and need for adequate system bandwidth. In 2024-25, LAO worked with MAG and others to begin addressing these issues and is developing a plan for improvements across the province.

The initiatives in the above section align with LAO's 2024-25 focus areas: Transforming and modernizing technology infrastructure and systems and strengthening core mandate services.

E) Making improvements to performance tracking

As part of the 2025-30 strategic plan, a performance measurement framework was established, including KPIs and KRIs. In 2025-26, LAO will continue reporting on existing indicators and will identify baselines for new measures. Monitoring and reporting performance against these metrics will integrate evidence-based decisions into strategic and business planning.

F) Ensuring financial sustainability

LAO's funding framework is unique, with revenue from the Government of Ontario, contributions from the federal government's cost-sharing agreements for refugee and criminal law matters, and funds from the Law Foundation of Ontario (**LFO**). Annual revenue from LFO is variable and fluctuates with changes in interest rates and mixed trust balances from accounts held by lawyers and paralegals. LAO navigated this financial complexity and operated within available financial resources through:

- Conservative financial management that ensured LAO had the financial resources necessary to sustain our programs and initiatives throughout their lifespan.
- Collaboration with MAG to ensure consistency and transparency in financial reporting and forecasting methodology.
- Internal audit functions, which conduct annual assessments to ensure internal controls are working effectively.

G) Further explore how to better attract and retain talent

In 2024-25, LAO took meaningful steps to strengthen its workforce and support the legal professionals who deliver services across the province. Roster members, internal staff and entity service provider staff play a critical role in ensuring access to justice. To support roster members and staff, LAO implemented targeted initiatives to streamline processes and enhance workplace culture. These efforts were complemented by investments in leadership development, employee engagement and clinic support, all aimed at building a more resilient, inclusive, and sustainable legal aid system.

• Roster engagement

Attracting and retaining legal talent is essential to maintaining service quality and ensuring timely access to justice for clients. However, ensuring the availability of roster lawyers remains a challenge. The certificate acknowledgement rate, which reached a peak of 94 per cent in 2013-14, declined to 87 per cent in 2024-25. To respond, actions were taken in 2024-25 to support roster members, including tariff reforms and simplified processes such as a streamlined lawyer self-report.

In 2024-25, LAO implemented the next phase of its tariff reform initiative, which began in October 2023. This included increases in hourly rates and block fees aimed at improving roster lawyer retention and ensuring fair compensation. The impact of the tariff increases is reflected in the roster satisfaction data, which rose to its highest level ever in 2024-25 (see [Service Measures](#) below).

In addition, LAO prioritized the recruitment and retention of legal professionals, especially in underserved areas, by engaging with law schools, legal associations and the Law Society of Ontario (**LSO**). Advisory committees representing diverse legal areas provide knowledgeable input on service delivery and client needs.

Continuing professional development (**CPD**) opportunities were once again offered to roster lawyers, helping to ensure they not only fulfill their LSO requirements, but also stay current on legal matters and skills relevant to the provision of legal aid services. In 2024-25, LAO hosted close to 50 CPD activities, including lunch-and-learn sessions, courses and events.

Other supports for roster members are provided through the Lawyer Service Centre, which received over 45,000 inquiries and had a response rate of 97 per cent. In addition, LAO provided high-quality research support and training to lawyers acting for legally aided clients: its LAOLaw website was visited over 39,000 times; 55,000 memoranda were accessed, and over 13,000 video training materials were viewed. This work strengthens LAO's capacity to meet demand and to support a more sustainable and responsive legal aid system.

- **LAO employees**

LAO is committed to fostering a healthy, inclusive and engaged workplace where staff feel valued and supported. In 2024-25, LAO advanced several initiatives to strengthen internal culture, support professional growth and respond to employee feedback.

Following the 2023-24 employee engagement survey, LAO developed and began implementing an action plan to improve the employee experience, programs and practices at LAO. The priority areas focus on workplace culture, feelings of empowerment, mental health support, training opportunities and effective communications. Psychological safety was also recognized as being critically important for our staff in client-facing roles.

LAO launched "Accelerate," a new leadership development program to support succession planning and build management capacity across the organization. The program represents a key investment in strengthening internal leadership skills. In addition, LAO regularly offered "lunch and learn" sessions on a range of legal topics relevant to staff in 2024-25. These sessions also help staff meet the CPD requirements of the Law Society of Ontario.

LAO offered a rich and varied articling experience to 27 students, while

also collaborating with law schools to support students through the Integrated Practice Curriculum and the Law Practice Program. These student and articling initiatives are a cornerstone of LAO's commitment to cultivate a strong talent pipeline for future legal roles within the organization.

- **Clinic supports**

An important support for our entity service providers is the Clinic Resource Office (**CRO**), whose mandate is to provide high-quality legal research and other support services to increase the efficiency and effectiveness of LAO-funded community legal clinics, Indigenous legal services organizations (ILSOs), and SLSOs. In 2024-25, the CRO saw a 10 per cent increase in Individual File Assistance requests and a 7 per cent increase in Court Litigation Support Service requests.

To support clinics in the recruitment and retention of staff, increased compensation funding was provided to clinics in 2024-25 to support their staffing efforts and salary structures.

The initiatives in the above section (G) align with LAO's 2024-25 focus areas: Attracting and retaining external service providers and internal talent.

3. Addressing audit review recommendations

LAO has implemented all the 2022 Ontario Internal Audit Division (**OIAD**) audit recommendations for our financial management and forecasting processes. OIAD has validated the evidence demonstrating implementation and closed the audit file in 2023.

Government-wide priorities for provincial board-governed agencies

1. Competitiveness, sustainability and expenditure management

LAO undertook several initiatives that support this government-wide priority, including:

- Implementing strategic technology upgrade investments to ensure that technology and IT infrastructure meet emerging organizational and client needs
- Conducting a Business Process Review (**BPR**) to document and streamline the processes related to client intake, eligibility and services
- Working with the federal government to secure funding for the Immigration and Refugee (**I&R**) program.

2. Transparency and accountability

LAO complies with applicable directives and policies and continues to review, improve and train on internal policies to ensure compliance, including those related to accounting standards and to transparency and accountability in reporting. Specific initiatives undertaken in 2024-25 that fulfilled this government-wide priority included:

- Developing the 2025-2030 Strategic Plan, which includes a robust performance measurement framework that will be integrated with annual business planning.
- Improving information and privacy management practices by:
 - embedding record keeping and access to information and privacy (**RkAP**) principles into the procurement process
 - developing new systems and initiating enterprise risk reporting for RkAP, which is a requirement under the data directives
 - using the results from the OPS Record keeping, Access and Privacy Maturity Assessment to begin work on maturation activities
- Delivering and publicly posting LAO's 2025-26 – 2027-28 Business Plan and 2023-24 Annual Report on time.
- Preparing and submitting to MAG a Business Plan Attestation memo that outlines key initiatives that LAO will undertake to achieve government priorities.
- Preparing and submitting LAO'S 2024-25 Annual Board-Governed Agency Compliance Attestation package to MAG on February 21, 2025, in accordance with the Agencies and Appointments Directive (**AAD**). The submission attests that core requirements for internal controls have been met during the reporting period.

3. Risk management

LAO continued to enhance its Enterprise Risk Management program in alignment with the OPS Enterprise Risk Management Directive and AAD. These efforts focused on embedding risk awareness across the organization by communicating standard practices and expectations, and enhancing LAO's ability to proactively identify, assess, mitigate, monitor, and report on risks. By integrating risk management into planning and decision-making processes, LAO is better positioned to anticipate challenges and respond effectively.

4. Workforce / Labour management

To address the increase in service demand resulting from the increases to the FET, LAO mobilized additional resources for DC, LAWs and contact centre representatives. The rollout of expanded services outlined in the updated DC Service Guide also required a strategic approach to managing heightened demand. LAO's response included environmental scans and targeted information gathering from management teams to inform proactive workforce planning, and data collection to forecast demand and ensure effective service delivery.

5. Diversity and inclusion

LAO continued to build a positive and inclusive workplace culture in 2024-25. Organization-wide efforts included monthly Equity, Diversity, Inclusion and Belonging (**EDIB**) acknowledgements, informal staff networks, podcasts, and regular employee spotlights.

To better understand staff demographics and perceptions of inclusion, trust, and engagement, LAO undertook an Inclusion, Diversity and Equity Assessment (**IDEA**). This assessment explored how employees experience their roles, treatment, and connection to LAO and will be used to inform priority actions and develop new training resources.

To ensure ongoing compliance with the *Accessibility for Ontarians with Disabilities Act, 2005 (AODA)*, LAO made important updates to our accessibility policies. LAO completed an audit conducted by the Ministry for Seniors and Accessibility, which confirmed that we are meeting our obligations under the AODA. This outcome reflects our ongoing commitment to creating an inclusive and accessible environment for all clients, staff and stakeholders.

In addition to building an inclusive workplace, LAO also focuses on providing equitable services that support the diversity of our clientele through the following initiatives:

- In 2024-25, LAO continued to collect data on the Indigeneity and race of clients assisted by DC at the bail stage to better understand potential disparities and inform policy decisions. In addition, to help address systemic racism and the overrepresentation of Black individuals in custody, LAO developed resources on systemic racism and how to make submissions on anti-Black racism at the bail stage.

These resources are available to both DC and roster lawyers.

- LAO continued its collaboration with the federal Department of Justice (**DOJ**) and MAG to expand Impact of Race and Cultural Assessments (**IRCA**s), which are pre-sentencing reports that help sentencing judges better understand the effects of racism, poverty, marginalization, and social exclusion on offenders.
- Equity impact assessments (**EIA**s) were increasingly embedded in policy and program development, including when a change is proposed to the *Legal Aid Services Rules*. Each policy proposal now includes a preliminary EIA to identify potential risks and equity considerations for marginalized and racialized groups.
- LAO released an Aboriginal Justice Strategy (**AJS**) wrap-up report titled *A Time for Action: Indigenous Services at LAO*, which outlined the path forward. In June 2025, LAO's action plan for the next five years was launched. The five-year *Indigenous Services Action Plan* includes strengthening relationships with Indigenous partners, developing culturally appropriate service models, and identifying opportunities to improve access and outcomes for Indigenous clients.
- LAO entered into service agreements with both Aboriginal Legal Services (**ALS**) and Nishnawbe-Aski Legal Services Corporation (**NAN Legal**) to continue to provide services to Indigenous clients and communities.
- LAO continued its mandatory cultural competency training for all staff to ensure staff understand the historical and current experiences of Indigenous peoples in the justice system. The training supports trauma-informed, respectful service delivery.
- LAO's Indigenous-focused mentorship initiative, Waawiye, entered its second year of supporting Indigenous staff and developing leadership paths within LAO. This program aligns with broader goals to foster Indigenous representation in public sector roles. An Indigenous Employee Network, Maamwi, was launched for LAO staff who identify as First Nation, Métis and Inuit to gather and build community.
- LAO reviewed its public consultation policy with an equity lens, examining how meaningful engagement with Indigenous and equity-deserving communities can be better integrated into the organization's policy and rule-making processes.

The initiatives in the above section align with LAO's 2024-25 focus areas: Reconciliation, anti-racism, and equity, diversity and inclusion.

6. Data collection, sharing and use

LAO took steps toward designing, developing and implementing an enhanced information and data governance framework to optimize the use and lifecycle management of information and data for decision making, information sharing, outcome-based reporting and service delivery improvements. This work was informed by the *Freedom of Information and Protection of Privacy Act* (**FIPPA**), the *Simpler, Faster, Better Services Act*, 2019, and by government information-related directives, policies and objectives.

In alignment with provincial directives, LAO continued to embed privacy and access principles into systems development, procurement and policy. A maturity assessment was completed, and early actions were implemented to improve compliance and risk management.

7. Digital delivery and customer service

In response to rising call volumes — particularly record high numbers in 2023-24 and continued pressure in 2024-25 — LAO made changes to structures and processes. Early results show measurable improvements: more calls answered, shorter wait times, and fewer queue closures, even while demand remained high. These gains reflect the value of investing in frontline services to enhance client support and operational effectiveness.

In addition, several initiatives that were advanced in 2024-25 support the government priority of digital delivery and customer service, including:

- **Customer Relationship Management (CRM) replacement:** Foundational work to identify business requirements, build out the project team and procurement plan, assess vendor options, and align the replacement with other digital initiatives continued.
- **Service Finder Tool:** In 2024-25, the Service Finder was launched internally, with the public launch planned for early 2025-26. It is a directory-based, guided pathway self-triage tool that allows users to quickly and easily find legal services, locate nearby offices and access legal information and resources for their legal matter, at their convenience.
- **Client Portal:** Foundational planning for new application types and enhanced user functionality for the client portal was undertaken in 2024-25. Expanding eligibility for online applications, adding new features and continuously improving existing ones will enhance digital service delivery and strengthen core mandate services. This project aligns with the broader CRM replacement project to foster a seamless client experience.
- **Contact Centre Solution:** LAO advanced the procurement and planning process for replacing its contact centre technology. With over 625,000 calls received annually across all business lines, this investment is essential for improving call routing, responsiveness, and the client intake experience. Implementation is planned for 2025-26.
- **French language services:** In response to new [FLS Active Offer requirements](#), and to better meet client needs, mandatory FLS Active Offer training for all staff was delivered in 2024; 83 per cent of staff completed the training in 2024-2025. All new staff are required to complete the training as part of their onboarding.
- **Multi-language services:** Procurement of a new language interpretation and translation contract for LAO and clinic services was completed in 2024, securing continued coverage in over 300 languages, at a reduced overall cost. Service usage increased by 4 per cent compared to the previous year, reflecting an overall increase in demand for LAO services.

The initiatives in the above section align with LAO's 2024-25 Focus Areas: Strengthening core mandate services and transforming and modernizing technology infrastructure and systems.

KEY PERFORMANCE INDICATORS

KPIs provide an overview of LAO's performance in relation to our mandate, as outlined in LASA and against our annual business plan commitments. They are a key accountability tool and ensure LAO's long-term success.

Organizational health

KPI	Measurement frequency	Last measured	Target	2023-24	2024-25
Turnover	Annual ¹	Q4 2024-25	10%	12.4%	11.9%
Staff to management ratio	Annual	Q4 2024-25	7 to 1	6.7 to 1	6.6 to 1
Average sick days used per employee	Annual ²	Q4 2024-25	10.1 days	11.9 days	10.3 days
Employee engagement	Annual	Q4 2024-25	TBC ³	See below for responses to specific elements	Next survey will run in 2025-26
			Satisfaction at work: 69%		
			Satisfaction with current role: 79%		
			Feeling valued as an employee: 58%		

¹ Calculated by calendar year.

² Calculated and reported by calendar year as they are tied to benefits administration.

³ A new survey approach was used in 2023-24. The next employee engagement survey will run in 2025-26 and the 2023-24 survey will be used as a baseline for improvement.

Financial indicators

KPI	Measurement frequency	Last measured	Target	2023-24	2024-25
Net working capital	Annual	2024-25	3 months of LAO's financial obligations or expenses	Target met	Target met
Net Assets (Unrestricted)	Annual	2024-25	\$242M surplus	\$301.9M surplus	\$443.0M surplus
Cash Balance	Annual	2024-25	\$344.4M cash balance forecasted	\$327.1M balance	\$383.7M balance

Service measures

KPI	Measurement frequency	Last measured	Target	2023-24	2024-25
% of calls answered within 3 minutes (L1)	Annual	Q4 2024-25	80%	69%	86%
% of calls answered within 3 minutes (LSC)	Annual	Q4 2024-25	80%	92%	86%
% of calls answered within 3 minutes (In-custody)	Annual	Q4 2024-25	80%	67%	77%
% of calls answered within 20 minutes (L2)	Annual	Q4 2024-25	80%	41%	61%
Overall certificate client satisfaction (% positive responses)	Annual	Q4 2024-25	80%	82%	84%
Overall lawyer satisfaction (% positive responses)	Annual	Q4 2024-25	50%	57%	59%

Analysis of operational performance

DC services

The DC program at LAO provides legal advice and representation in Ontario's criminal, youth and family courts. These services are provided by LAO staff lawyers and per diem private bar lawyers.

DC assist eligible individuals who need in-court advice or representation. Often, they help the same client multiple times on separate occasions and for different matters.

With courts returning to pre-pandemic service levels, LAO has seen an increase in the number of DC assists (online and in-person).

Number of clients served by DC

Area of law	2020-21	2021-22	2022-23	2023-24	2024-25
Criminal	377,694	559,510	630,062	721,635	840,418
Civil ⁴	55,544	67,122	82,673	95,305	83,194
Total	433,238	626,632	712,735	816,940	923,612

Certificate program

The certificate program is a key foundation of LAO's service delivery. Each year, thousands of people across Ontario receive legal help through a certificate that allows them to retain a lawyer from LAO's roster for specific legal matters.

Clients can apply for a certificate through the client portal, by phone, or in-person at courthouses. LAO assesses financial and legal eligibility, and, if approved, issues a certificate that covers the typical amount of work required for the service. Most application decisions are made the same day. Once a certificate is issued, clients choose a lawyer from LAO's roster to represent them.

The length of time a certificate remains active depends on factors such as court scheduling, legislative changes, and whether the case proceeds to trial.

⁴ This category consists largely of people assisted in family law courts.

Certificate applications

In recent years, the number of applications has grown significantly. Applications increased from just over 103,000 in 2020-21 to over 155,000 in 2024-25, with much of the recent growth driven by demand in criminal and immigration and refugee law.

Formal applications for certificates by fiscal year ⁵

Certificate applications	2020-21	2021-22	2022-23	2023-24	2024-25
Applications made	103,077	114,762	122,527	152,030	155,407

Most applicants are approved for a certificate. In 2024-25, 88% of applications resulted in an approval, while only about 8% were refused.

Certificate application outcomes ⁶

Outcomes	2020-21	2021-22	2022-23	2023-24	2024-25
Approved	94,909	100,419	106,830	135,279	135,811
Refused	6,527	10,700	11,526	12,410	12,666
Other ⁷	2,618	3,420	4,991	5,253	6,422
Total outcomes recorded	104,054	114,539	123,347	152,942	154,899

⁵ This table is based on applications made in the specific fiscal year.

⁶ Number of applications and outcomes recorded in a given year do not always match. This is because an application made late in one fiscal year may not be decided until the following year, or because some applications are reconsidered through appeals.

⁷ “Other” encompasses administrative outcomes such as client referrals, withdrawn applications, and errors in application creation.

Length of time to determine application outcome

	2020-21	2021-22	2022-23	2023-24	2024-25
Same day	88,743	89,502	90,983	119,264	116,130
2 to 7 days	6,477	10,715	12,981	14,560	12,421
8 to 14 days	2,068	3,588	4,665	4,554	6,209
15 to 30 days	2,410	4,518	6,294	6,377	8,688
Over 30 days	4,356	6,216	8,424	8,187	11,451
Total outcomes recorded	104,054	114,539	123,347	152,942	154,899
Same-day outcomes	85%	78%	74%	78%	75%

Certificates approved by area of law

Area of law	2020-21	2021-22	2022-23	2023-24	2024-25
Criminal	52,068	57,505	56,207	63,396	70,587
Family	28,302	23,774	18,906	19,328	20,576
Immigration and refugee	6,750	11,510	23,688	44,762	36,390
Civil ⁸	7,789	7,630	8,029	7,793	8,258
Total certificates issued	94,909	100,419	106,830	135,279	135,811

Acknowledgement rate

The percentage of certificates that result in a client retaining a lawyer (referred to as the acknowledgement rate) is generally high but varies by area of law. For example, in family law, some clients decide not to proceed with their matter, which can cause their certificates to expire unused. Additionally, there has been a decline in the number of lawyers practicing family law, which reduces the pool of available lawyers.

These factors contribute to lower acknowledgement rates in family law compared to criminal law, where more lawyers remain active on the roster and clients are more likely to proceed with their cases.

⁸ “Civil” represents matters before the Consent and Capacity Board, prison law, and matters before civil tribunals.

Acknowledgement rate ⁹

Area of law	2020-21	2021-22	2022-23	2023-24	2024-25 (Q1 to Q3)
Criminal	95%	94%	93%	92%	91%
Family	73%	67%	66%	65%	63%
Immigration and refugee	90%	89%	88%	88%	89%
Civil	95%	95%	95%	95%	94%
Overall	88%	87%	87%	87%	87%

Lawyers providing certificate services

Each year, thousands of lawyers across Ontario accept a legal aid certificate and provide representation to clients. The table below shows the number of lawyers who accepted at least one certificate in a given fiscal year.

While the size of LAO's overall roster of lawyers changes over time, these figures give an indication of the number of lawyers actively delivering services through the certificate program.

Number of lawyers who accepted a LAO certificate

Lawyers	2020-21	2021-22	2022-23	2023-24	2024-25
Number of lawyers	3,266	3,146	2,932	2,913	2,947

Lawyers earning over \$100,000 in fees

As part of LAO's commitment to responsible management of public funds and maintaining high-quality legal aid services, there are limits on the number of hours that can be billed under a certificate. These limits ensure that cases are handled efficiently while allowing lawyers to dedicate the necessary time to complex matters.

The table below shows the number of lawyers who were paid more than \$100,000 in certificate fees in a given fiscal year. The majority of these lawyers earned between \$100,000 and \$250,000, while a much smaller group earned more than \$250,000.

Number of lawyers paid more than \$100K in fees

Fees	2020-21	2021-22	2022-23	2023-24	2024-25
\$100K to \$250K	431	598	604	639	626
Over \$250K	46	68	78	125	81
Total	477	666	682	764	707

⁹ LAO has refined the way it calculates the acknowledgement rate to better reflect the *Legal Aid Service Rules*. The acknowledgement rate reflected here is the percentage of certificates acknowledged by a lawyer within 180 days of issuance to a client.

Average cost of a completed certificate by area of law

Area of law	2020-21	2021-22	2022-23	2023-24	2024-25
Criminal	\$1,672	\$1,667	\$1,674	\$1,680	\$1,796
Family	\$3,490	\$3,555	\$3,927	\$4,085	\$4,146
Immigration and refugee	\$2,028	\$2,204	\$2,242	\$2,169	\$2,233
Civil	\$1,345	\$1,329	\$1,375	\$1,426	\$1,524
Overall average cost	\$1,947	\$2,007	\$2,058	\$2,014	\$2,079

Average lifecycle of a completed certificate (in months)

Area of law	2020-21	2021-22	2022-23	2023-24	2024-25
Criminal	8.9	9.4	9.7	9.2	8.7
Family	16.2	16.7	18.5	19.4	18.6
Immigration and refugee	17.3	18.7	16.1	12.8	15.9
Civil	3.3	3.3	3.3	3.1	2.8
Overall average lifecycle	10.0	10.9	11.0	10.3	10.3

Poverty law services

Case work is significant component of the poverty law work of community legal clinics, with over 124,000 files opened in 2024-25 (4 per cent more than the previous year). These cases often relate to income supports such as Ontario Works, the Ontario Disability Support Program, and workers' compensation. As shown in the table, clinic-based poverty law services also include Tenant Duty Counsel Assists, referrals to (or help contacting) other legal and social services, and initiatives such as public legal education and various other advocacy activities.

Service type	2020-21	2021-22	2022-23	2023-24	2024-25
Cases opened	85,818	96,931	109,835	119,883	124,151
Referrals	35,882	45,299	49,338	60,804	69,907
Initiatives	6,779	6,434	5,507	6,749	6,265
Tenant DC assists	25,521	67,686	67,092	96,740	78,130

FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The Financial Statements Discussion and Analysis (**FSD&A**) is intended to assist readers in understanding the results of LAO's financial performance for the year ended March 31, 2025.

This report should be read in conjunction with the audited financial statements of LAO for the year ended March 31, 2025, prepared in accordance with Public Sector Accounting Standards (**PSAS**), and the accompanying notes, which form a part of those statements.

Highlights

2024-25 Financial Highlights (\$000's)

Statement of Operations for the year ended March 31

	Change from				
	2024-25 Budget	2024-25 Actual	2023-24 Actual	2024-25 Budget	2023-24 Actual
Revenue	(a)	(b)	(c)	(b-a)	(b-c)
Government Funding	435,660	418,052	403,019	(17,608)	15,033
The Law Foundation of Ontario	290,000	274,325	330,779	(15,675)	(56,454)
Protocol Cases	8,800	9,871	9,310	1,071	561
Other ¹⁰	20,459	25,922	18,610	5,463	7,312
Total Revenue	754,919	728,170	761,718	(26,749)	(33,548)
Expenses	(a)	(b)	(c)	(b-a)	(b-c)
Certificate Program	293,016	279,268	251,157	(13,748)	28,111
Duty Counsel and Staff Services Program	124,229	136,779	117,185	12,550	19,594
Clinic Services	115,411	112,893	106,577	(2,518)	6,316
Other Programs	6,153	6,255	6,182	102	73
Total Client Programs	538,809	535,195	481,101	(3,614)	54,094
Administration and Other Costs ¹¹	57,388	52,850	51,107	(4,538)	1,743
Total Expenses	596,197	588,045	532,208	(8,152)	55,837
Excess of revenue over/ (under) expenses	158,722	140,125	229,510	(18,597)	(89,385)

¹⁰ Includes Investment income, Client contributions and other recoveries and miscellaneous income.

¹¹ Administration and Other Costs include amortization and head office expenses.

(\$000's)	2024-25 Actual	2023-24 Actual	Change from 2023-24 Actual
Statement of Financial Position as at March 31			
	(a)	(b)	(a-b)
Assets	582,084	446,070	136,014
Liabilities	114,857	118,968	(4,111)
Net Assets:			
Unrestricted Net Assets	442,987	301,920	141,067
Contingency Reserve Fund	20,000	20,000	0
Invested in Capital Assets	4,240	5,182	(942)
Total Net Assets	467,227	327,102	140,125

Financial highlights

Comparison to 2023-24 actuals

- LAO reported a surplus of \$140.1 million for 2024-25, a decrease of \$89.4 million from the prior year's surplus of \$229.5 million. This decline was primarily due to reduced revenue from the LFO, which was impacted by the Bank of Canada's (**BOC**) seven interest rate cuts between June 2024 and March 2025.
- Total revenues for 2024-25 were \$728.2 million, representing a decrease of \$33.5 million (4.4 per cent) from the previous year. This decline was primarily driven by reduced LFO revenue, following multiple interest rate cuts by the BOC. The decrease was partially offset by increased federal funding for I&R services, additional criminal legal aid services, and higher interest income.
- Total expenses were \$588.0 million, an increase of \$55.8 million (10.5 per cent) over the 2023-24 total expenses. This increase was driven by higher certificate program costs due to increased issuance in immigration and refugee, and criminal matters, collective bargaining-related staffing costs, and increased funding for community and specialty legal clinics.
- Total assets were \$582.1 million, an increase of \$136.0 million (30.5 per cent) over the 2023-24 total assets, largely due to higher cash balances and increased investments.
- Total liabilities decreased to \$114.9 million, a drop of \$4.1 million (3.5 per cent) from the 2023-24 fiscal year, mainly due to a reduction in tenant improvement allowances and deferred capital contributions.
- Net assets rose to \$467.2 million, an increase of \$140.1 million (42.8 per cent) from the previous year, reflecting the annual surplus.

Revenue analysis

Details of 2024-25 Actual Results (\$000's)

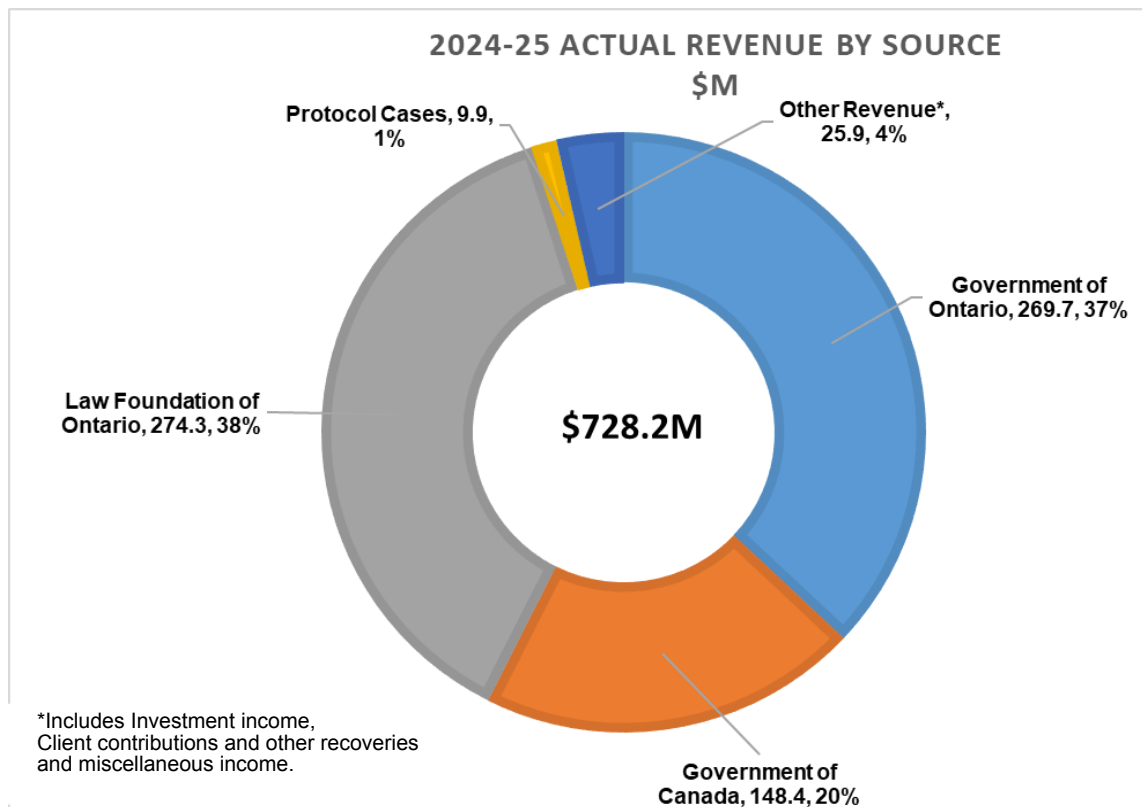
	Change from				
	2024-25 Budget	2024-25 Actual	2023-24 Actual	2024-25 Budget	2023-24 Actual
Revenue	(a)	(b)	(c)	(b-a)	(b-c)
Government Funding:					
Ontario Government	270,064	269,704	270,590	(360)	(886)
Government of Canada	165,596	148,348	132,429	(17,248)	15,919
Law Foundation of Ontario	290,000	274,325	330,779	(15,675)	(56,454)
Protocol Cases	8,800	9,871	9,310	1,071	561
Other ¹²	20,459	25,922	18,610	5,463	7,312
Total Revenue	754,919	728,170	761,718	(26,749)	(33,548)

Comparison to 2023-24 actuals

Total revenue for 2024-25 decreased by \$33.5 million (4.4 per cent) compared to the previous year. Key changes include:

- Federal funding increased by \$16.0 million (12.1 per cent) driven by:
 - \$9.8 million for higher immigration and refugee program costs due to increased case volumes.
 - \$6.2 million in additional support for criminal legal aid services.
- The LFO revenue declined by \$56.5 million (17.1 per cent) compared to the previous year, due to the BOC's reduction of interest rates seven times between June 2024 and March 2025. Rates fell 225 basis points during this period, from a high of 5 per cent to 2.75 per cent. Strong mixed trust balances helped to partially offset this decline.
- Other revenue grew by \$7.3 million (39.2 per cent) over the previous year, mainly due to higher interest income from increased cash balances and investments in Guaranteed Investment Certificates (**GICs**).

¹² Includes Investment income, Client contributions and other recoveries and miscellaneous income.



Comparison to 2024-25 budget

Total revenue was \$728.2 million, which was \$26.8 million (3.5 per cent) below budget projections. Key variances include:

- The federal funding was \$17.2 million (10.4 per cent) below budget due to:
 - Lower-than-expected certificate issuance and costs due to federal I&R policy changes (\$24 million impact).
 - The shortfall was partially offset by a \$6.8 million increase in federal criminal legal aid funding.
- The LFO revenue was \$15.7 million or 5.4 per cent lower than predicted in the 2024-25 budget due to the BOC's cuts to interest rates seven times between June 2024 and March 2025, which were an effort to stimulate a slowing economy. Mixed trust balances remained strong throughout the year, partially offsetting the impact of the interest rate reductions.
- Other income increased by \$5.5 million (26.8 per cent) which was higher than projected in the 2024-25 budget due to higher cash balances and investments in GICs earning interest income.

Expense analysis

Expenses

Details of 2024-25 Actual Results (\$000's)

	Change from				
	2024-25 Budget	2024-25 Actual	2023-24 Actual	2024-25 Budget	2023-24 Actual
Expenses	(a)	(b)	(c)	(b-a)	(b-c)
Certificate Program (see breakdown below)	293,016	279,268	251,157	(13,748)	28,111
Duty Counsel and Staff Services Program	124,229	136,779	117,185	12,550	19,594
Clinic Services	115,411	112,893	106,577	(2,518)	6,316
Other Programs	6,153	6,255	6,182	102	73
Total Client Programs	538,809	535,195	481,101	(3,614)	54,094
Administration and Other Costs ¹³	57,388	52,850	51,107	(4,538)	1,743
Total Expenses	596,197	588,045	532,208	(8,152)	55,837

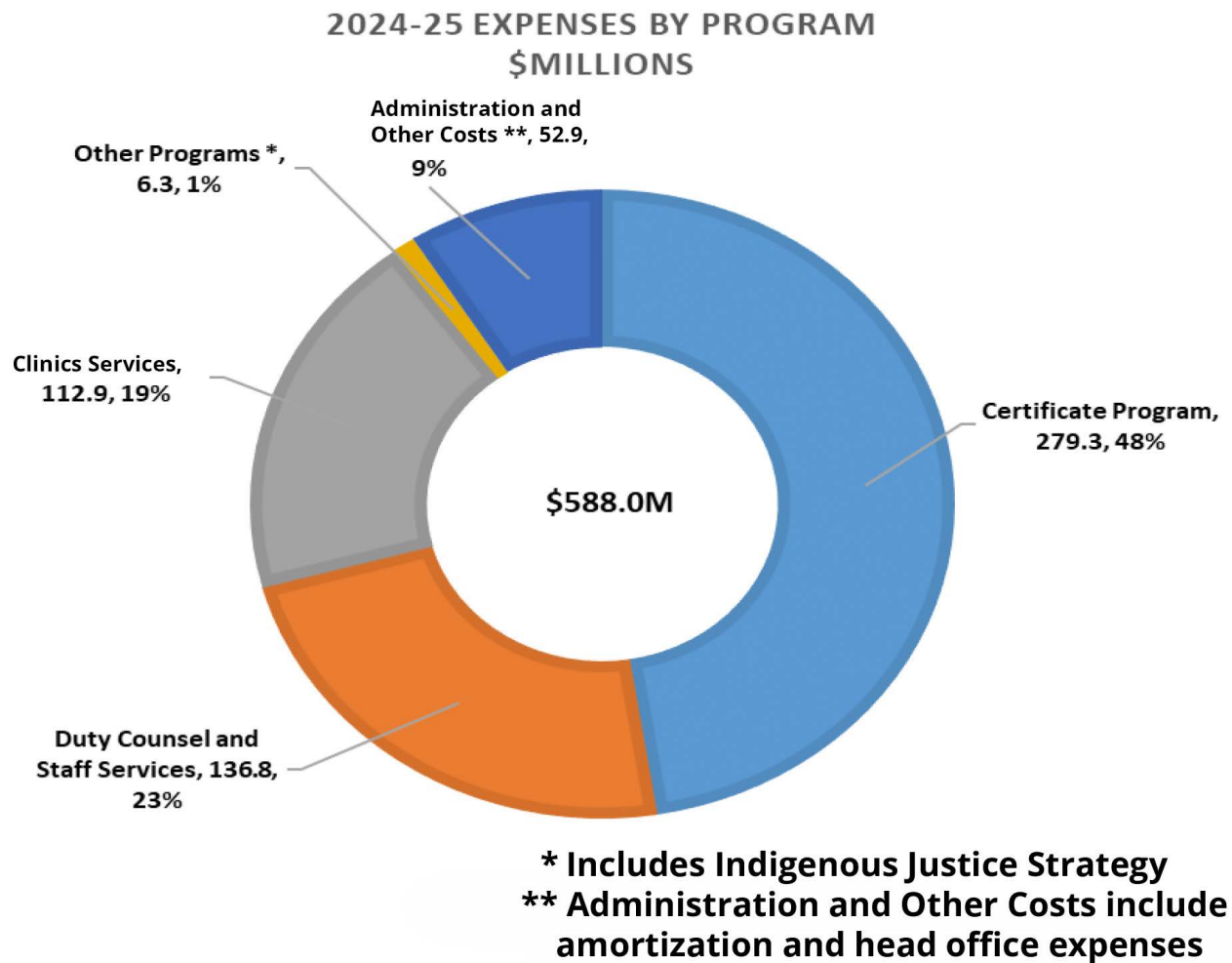
¹³ Administration and Other Costs include amortization and head office expenses.

	Change from				
	2024-25 Budget	2024-25 Actual	2023-24 Actual	2024-25 Budget	2023-24 Actual
Certificate Program:	(a)	(b)	(c)	(b-a)	(b-c)
Criminal - Big Case Management (BCM)	25,000	22,957	23,322	(2,043)	(365)
Criminal - Other	93,000	93,504	82,018	504	11,486
Family	56,000	51,798	52,018	(4,202)	(220)
Immigration and Refugee	74,000	58,155	47,102	(15,845)	11,053
Other Civil	10,500	11,103	10,329	603	774
Total Certificate	258,500	237,517	214,789	(20,983)	22,728
Protocol Cases	8,900	9,698	8,956	798	742
Client Service Centre	14,673	20,900	16,279	6,227	4,621
Program Support – Certificates	7,943	8,188	7,525	245	663
Bad Debt Expenses	3,000	2,965	3,608	(35)	(643)
Total Certificate Program	293,016	279,268	251,157	(13,748)	28,111

Comparison to 2023-24 actuals

Total expenses for 2024-25 increased by \$55.8 million (10.5 per cent) from the prior year. The increase is primarily driven by service delivery-related expenditures and associated supporting costs:

- Certificate Program expenses rose by \$28.1 million (11.2 per cent) over the previous year, largely due to increased I&R and criminal certificate issuance, and call volumes requiring more Contact Centre staff.
- DC and Staff Services (Regional Services) expenses increased by \$19.6 million (16.7 per cent) over the previous year, mainly reflecting higher lawyers' salaries resulting from union arbitration awards, as well as the impact of tariff increases and tariff reform on per diem DC rates.
- Clinic Services spending increased by \$6.3 million (5.9 per cent) over the previous year, primarily due to increased funding for community and specialty legal clinics.



Comparison to the 2024-25 budget

Total expenses in 2024-25 were \$588.0 million, which is \$8.2 million (1.4 per cent) below the approved budget. This variance is mainly due to lower than anticipated certificate costs, partially offset by higher spending in DC services, and the resumption of Northern fly-in courts.

APPENDIX A: AUDITED FINANCIAL STATEMENTS

**Legal Aid Ontario
Financial Statements
For the year ended March 31, 2025**

**Legal Aid Ontario
Financial Statements
For the year ended March 31, 2025**

Contents

Management's Statement of Responsibility	2
Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9-20

Management's Statement of Responsibility

The Management of Legal Aid Ontario is responsible for the preparation, presentation and integrity of the accompanying financial statements, Management's Discussion and Analysis and all other information contained in this Annual Report. This responsibility includes the selection and consistent application of appropriate accounting principles and methods in addition to making the judgements and best estimates necessary to prepare the financial statements in accordance with Canadian Public Sector Accounting Standards with appropriate consideration to materiality. The significant accounting policies followed by Legal Aid Ontario are described in the financial statements.

Management has developed and maintains a system of internal control, business practices and financial reporting to provide reasonable assurance that assets are safeguarded, and that relevant and reliable financial information is produced on a timely basis. Internal auditors, who are employees of Legal Aid Ontario, review and evaluate internal controls on management's behalf.

The Board of Directors of Legal Aid Ontario ensures that management fulfils its responsibilities for financial information and internal control through an Audit and Finance Committee. This Committee meets regularly with management and the auditor to discuss internal controls, audit findings and the resulting opinion on the adequacy of internal controls, and the quality of financial reporting issues. The auditors have access to the Audit and Finance Committee, without management present, to discuss the results of their work.

The accompanying financial statements have been examined by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with Canadian Public Sector Accounting Standards. The Auditor's Report outlines the scope of the Auditor General's examination and opinion.



Aileen Page
President & Chief Executive Officer

July 22, 2025



Abigail Dwosh
Vice President & Chief Administrative Officer

July 22, 2025

INDEPENDENT AUDITOR'S REPORT

To Legal Aid Ontario

Opinion

I have audited the financial statements of Legal Aid Ontario (LAO), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, changes in net assets and 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 LAO 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 LAO 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.

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

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

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

Those charged with governance are responsible for overseeing LAO'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 skepticism 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.
- 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 LAO'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 LAO'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 LAO 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.



Toronto, Ontario
July 22, 2025

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Legal Aid Ontario

Statement of Financial Position

	March 31, 2025 (\$000's)	March 31, 2024 (\$000's)
ASSETS		
Current Assets		
Cash	\$ 383,741	\$ 327,150
Short-term investments (Note 3)	56,164	30,711
Prepaid expenses and other assets	3,464	3,644
Client accounts receivable (Note 4(a))	551	366
Other receivables (Note 4(b))	<u>34,658</u>	<u>43,509</u>
	478,578	405,380
Long-term client accounts receivable (Note 4(a))	12,727	13,171
Long-term investments (Note 3)	65,792	-
Contingency reserve fund (Note 3)	20,000	20,000
Capital assets (Note 6)	<u>4,987</u>	<u>7,519</u>
TOTAL ASSETS	\$ <u>582,084</u>	\$ <u>446,070</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities (Note 7)	\$ 108,671	\$ 110,468
Deferred capital contributions (Note 8)	<u>747</u>	<u>2,337</u>
	<u>109,418</u>	<u>112,805</u>
Long-Term Liabilities		
Accrued pension liability (Note 15)	2,859	2,879
Tenant improvement allowance	<u>2,580</u>	<u>3,284</u>
	<u>5,439</u>	<u>6,163</u>
Net Assets		
Unrestricted net assets	442,987	301,920
Invested in capital assets (Note 9)	4,240	5,182
Contingency reserve fund (Note 5)	<u>20,000</u>	<u>20,000</u>
	<u>467,227</u>	<u>327,102</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>582,084</u>	\$ <u>446,070</u>



Chair of the Board



Chair of the Audit and Finance Committee

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

Legal Aid Ontario Statement of Operations

For the year ended March 31	2025 (\$000's)	2024 (\$000's)
REVENUE		
Government funding (Note 10)	\$ 418,052	\$ 403,019
The Law Foundation of Ontario	274,325	330,779
Investment income	17,400	10,050
Protocol cases (Note 11)	9,871	9,310
Client contributions and other recoveries	7,995	8,237
Miscellaneous income	<u>527</u>	<u>323</u>
TOTAL REVENUE	\$ 728,170	\$ 761,718
EXPENSES (Note 12 and 13)		
Client Programs		
Certificate program	\$ 279,268	\$ 251,157
Duty counsel and staff services program	136,779	117,185
Clinic Services	112,893	106,577
Other Programs	<u>6,255</u>	<u>6,182</u>
Total Client Programs (Note 13)	535,195	481,101
Administration and Other Costs	<u>52,850</u>	<u>51,107</u>
TOTAL EXPENSES	<u>588,045</u>	<u>532,208</u>
Excess of revenue over expenses for the year	\$ <u>140,125</u>	\$ <u>229,510</u>

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

Legal Aid Ontario Statement of Changes in Net Assets

For the year ended March 31

	Invested Capital Assets (Note 9)	Unrestricted	Contingency Reserve Fund	2025 Total	2024 Total
(\$000's)					
Net assets, beginning of year	\$ 5,182	\$ 301,920	\$ 20,000	\$ 327,102	\$ 97,592
Net change in capital assets	(2,532)	2,532	-	-	-
Deferred capital contributions	1,590	(1,590)	-	-	-
Excess of revenues over expenses for the year	-	140,125	-	140,125	229,510
Net assets, end of year	<u>\$ 4,240</u>	<u>\$ 442,987</u>	<u>\$ 20,000</u>	<u>\$ 467,227</u>	<u>\$ 327,102</u>

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

Legal Aid Ontario Statement of Cash Flows

For the year ended March 31	2025 (\$000's)	2024 (\$000's)
Cash provided by (used in):		
OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	\$ 140,125	\$ 229,510
Non-cash operating activity:		
Accrued interest on investments	(1,245)	(2,017)
Amortization of capital assets	3,278	3,285
Amortization of deferred capital contributions	(1,590)	(2,526)
Amortization of tenant improvement allowance	-	(176)
Changes in non-cash balances:		
(Increase) decrease in prepaid expenses and other assets	180	(449)
(Increase) decrease in client accounts receivable	(185)	710
(Increase) decrease in other receivables	8,851	25,495
(Increase) decrease in long-term client accounts receivable	444	1,050
Increase (decrease) in accounts payable and accrued liabilities	(1,797)	12,630
Increase (decrease) in accrued pension liability	(20)	15
Increase (decrease) in tenant improvement allowance	(704)	3,460
	<u>147,337</u>	<u>270,987</u>
INVESTING ACTIVITIES		
Purchase of investments	(90,000)	(28,694)
Purchase of restricted funds - Contingency Reserve Fund	-	(20,000)
	<u>(90,000)</u>	<u>(48,694)</u>
CAPITAL ACTIVITY		
Purchase of capital assets	(746)	(4,384)
Net increase in cash during the year	56,591	217,909
Cash, beginning of year	327,150	109,241
Cash, end of year	\$ <u>383,741</u>	\$ <u>327,150</u>

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

Legal Aid Ontario

Notes to Financial Statements

March 31, 2025

1. NATURE OF OPERATIONS

On December 18, 1998, the Ontario Legislative Assembly enacted the *Legal Aid Services Act, 1998* whereby Legal Aid Ontario (LAO) was incorporated without share capital under the laws of Ontario. LAO began operations on April 1, 1999 and is tax exempt under the *Income Tax Act (Canada)*. In October 2021, the amended *Legal Aid Services Act, 2020* was proclaimed and currently sets out the legal authority of Legal Aid Ontario.

The *Legal Aid Services Act, 2020* establishes the following mandate for LAO:

- Establish and administer a flexible and sustainable system for providing legal aid services to individuals in Ontario;
- Establish policies and priorities for the provision of legal aid services based on its financial resources;
- Facilitate co-ordination among the different legal aid services that are provided and the manners in which they are provided;
- Monitor and supervise the provision of legal aid services in Ontario; and
- Advise the Minister on all aspects of legal aid services in Ontario including any features of the justice system that affect or may affect the demand for or quality of legal aid services.

The affairs of LAO are governed and managed by a Board of Directors appointed by the Lieutenant Governor in Council. While LAO operates independently from the Province of Ontario and the Law Society of Ontario, it is accountable to the Province of Ontario, for the expenditure of public funds and for the provision of legal aid services in a manner that both meets the needs of low-income individuals and is cost-effective and efficient.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Public Sector Accounting Handbook "PS" of the Chartered Professional Accountants of Canada including the standards for government not-for-profit organizations included in PS 4200 to PS 4270, which constitutes generally accepted accounting principles for government not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

FINANCIAL INSTRUMENTS

LAO's financial instruments consist of cash, investments, restricted investments, client accounts receivable, other receivables, and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. LAO's financial instruments are subsequently measured at amortized cost.

All financial assets are tested annually for impairment. In the event that there are any impairments of financial assets, the losses are recorded in the Statement of Operations.

Legal Aid Ontario

Notes to Financial Statements

March 31, 2025

REVENUE RECOGNITION

LAO follows the deferral method of accounting for contributions.

Provincial grants restricted for the purchase of capital assets are deferred and amortized into revenue over the same period as the related capital asset.

Contributions are recognized as revenue when initially recorded in the accounts if the amount to be received can be reasonably estimated and collection is reasonably assured. Due to uncertainty surrounding the amounts to be billed, client contributions are recognized as revenue when LAO records a lawyer's invoice on behalf of a client. Judgment awards, costs and settlements on behalf of legal aid clients are recognized as revenue when awarded.

The Law Foundation of Ontario (LFO) is required under the *Law Society Act, R.S.O. 1990, c. L. 8*, to remit 75% of net income earned from lawyer and paralegal mixed trust accounts directly to LAO. The amount that LFO transfers to LAO varies each year, mostly due to changing interest rates and mixed trust balances.

The LFO does not receive any direct transfer of goods or services from LAO in return, and there are no performance obligations associated to the revenue received. LAO recognizes this revenue at its realizable value and accrues one month in arrears. PS 3400 defines this type of transaction as a "non-exchange transaction".

Investment income, which consists of interest, is recorded in the statement of operations as earned.

Protocol cases are billings for cases that are assigned to LAO through the courts and recovered from Ministry of the Attorney General (MAG) and Federal Department of Justice (DOJ). Protocol case revenue is recognized when billings are received from the lawyers.

EXPENSE RECOGNITION

Expenses are recognized on an accrual basis. Certificate program costs include amounts billed to LAO by lawyers and an estimate of amounts for work performed by lawyers but not yet billed.

CAPITAL ASSETS

Capital assets are recorded at cost less accumulated amortization. Amortization is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Office furniture & equipment	- 5 years
IT hardware	- 3 years
Leasehold improvement	- over the term of lease
Enterprise-wide software	- 3 years

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

Legal Aid Ontario

Notes to Financial Statements

March 31, 2025

EMPLOYEE BENEFITS PLANS

Effective September 25, 2023, LAO became a participating employer under the Public Service Pension Plan ("PSPP") and the Ontario Public Service Employees' Union Pension Plan ("OPSEU Plan").

The PSPP and OPSEU Plans are contributory defined benefit plans. These plans are funded by contributions from participating employers and members, and by the investment earnings from the Public Service Pension Fund and OPSEU Pension Trust Fund (OPTrust). Contributions from members and employers are remitted to the Ontario Pension Board (OPB) and OPTrust.

The Province of Ontario is the sole sponsor of the PSPP and a joint sponsor of OPSEU and determines LAO's annual payments to the funds. The plan sponsors are responsible for ensuring that the pension funds are financially viable, and any surpluses or unfunded liabilities arising from the statutory actuarial funding valuations are not assets or obligations of LAO. Therefore, LAO's contributions are accounted for as if the PSPP and the OPSEU Plan were defined contribution plans with contributions being expensed in the period they come due.

In addition, LAO maintains a non-registered supplementary (executive) plan. LAO accrues its obligations under this defined benefit employee plan. The actuarial determination of the accrued benefit obligations for this pension uses the projected accrued benefit cost method prorated on service and management's best estimate assumptions. Actuarial gains (losses) are amortized on a straight-line basis over the estimated average remaining service period of the active employees. Past service costs are expensed when incurred. Liabilities are measured using a discount rate determined by reference to LAO's cost of borrowing.

USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available. Significant estimates in the financial statements include the allowance for doubtful accounts and accruals related to legal work performed but not yet billed.

TENANT IMPROVEMENT ALLOWANCE

On May 31, 2022 LAO amended its lease agreement for the Provincial Head Office located at 20 Dundas Street West, the Atrium. These amendments include a Tenant Improvement Allowance paid by the landlord.

Amounts paid by the landlord are recognized as a tenant improvement allowance and amortized over the term of the related lease.

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

3. Investments

	2025 (\$000's)	2024 (\$000's)
Short-term - Guaranteed investment certificates	\$ 53,694	\$ 28,694
Accrued interest	<u>2,470</u>	<u>2,017</u>
Total short-term investments	<u>\$ 56,164</u>	<u>\$ 30,711</u>

Interest is earned on the guaranteed investment certificates at a rate of 4.15% to 5.0% (2024 - 5.8%) and mature between July 2025 to October 2025 (2024 - July 2024 and August 2024).

Long-term - Guaranteed investment certificates	\$ 65,000	\$ -
Accrued interest	<u>792</u>	<u>-</u>
Total long-term investments	<u>\$ 65,792</u>	<u>\$ -</u>

Interest is earned on the guaranteed investment certificates at a rate of 3.5% to 3.95% and mature between April 2026 to December 2026 (2024 - Nil%).

Contingency reserve fund (Note 5)	<u>\$ 20,000</u>	<u>\$ 20,000</u>
-----------------------------------	------------------	------------------

Interest is earned on the guaranteed investment certificates at a rate of 4.95% and matures May 2025 (2024 - 4.95%)

4. Accounts Receivable

(a) Client accounts receivable

LAO has a client contribution program for legal aid applicants who do not meet LAO's financial eligibility requirements for certificates, to receive free legal services. These applicants receive the assistance they need by entering into a contribution agreement, where they undertake to repay LAO over time for the services provided to them. Contribution agreements may include monthly payments and/or liens on property.

March 31, 2025 (\$000's)	Total	1-30 Days	31-60 Days	61-90 Days	Over 90 Days
Client accounts receivable	\$ 37,398	\$ 271	\$ 142	\$ 169	\$ 36,816
Less: impairment allowance	<u>(24,120)</u>	<u>(178)</u>	<u>(87)</u>	<u>(114)</u>	<u>(23,741)</u>
	<u>\$ 13,278</u>	<u>\$ 93</u>	<u>\$ 55</u>	<u>\$ 55</u>	<u>\$ 13,075</u>

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

4. Accounts Receivable (continued)

March 31, 2024 (\$000's)	Total	1-30 Days	31-60 Days	61-90 Days	Over 90 Days
Client accounts receivable	\$ 40,263	\$ 139	\$ 131	\$ 151	\$ 39,842
Less: impairment allowance	<u>(26,726)</u>	<u>(81)</u>	<u>(77)</u>	<u>(93)</u>	<u>(26,475)</u>
	<u>\$ 13,537</u>	<u>\$ 58</u>	<u>\$ 54</u>	<u>\$ 58</u>	<u>\$ 13,367</u>

	2025 (\$000's)	2024 (\$000's)
Represented by:		
Current (non-lien) client accounts receivable	551	366
Long-term (lien) client accounts receivable	<u>12,727</u>	<u>13,171</u>
	<u>\$ 13,278</u>	<u>\$ 13,537</u>

(b) Other receivables, net of allowance

Other receivables are comprised of amounts due from the Law Foundation of Ontario, Canada Revenue Agency for Harmonized Sales Taxes (HST) rebate, and both the Federal Department of Justice ("DOJ") and MAG for protocol cases.

March 31, 2025 (\$000's)	Total	1-30 Days	31-60 Days	61-90 Days	Over 90 Days
Federal Immigration and Refugee funding	\$ 9,450	\$ 9,150	\$ -	\$ -	\$ 300
MAG protocol cases	4,644	2,799	-	-	1,845
DOJ protocol cases	376	275	-	-	101
HST receivable	9,639	3,587	2,959	3,093	-
Law Foundation of Ontario	8,611	8,611	-	-	-
Other receivables	<u>1,938</u>	<u>1,412</u>	<u>-</u>	<u>-</u>	<u>526</u>
Total Other Receivables	<u>\$ 34,658</u>	<u>\$ 25,834</u>	<u>\$ 2,959</u>	<u>\$ 3,093</u>	<u>\$ 2,772</u>
March 31, 2024 (\$000's)	Total	1-30 Days	31-60 Days	61-90 Days	Over 90 Days
Federal Immigration and Refugee funding	\$ 7,181	\$ 6,060	\$ -	\$ -	\$ 1,121
MAG protocol cases	2,319	2,233	-	-	86
DOJ protocol cases	255	221	-	-	34
HST receivable	6,336	3,300	3,036	-	-
Law Foundation of Ontario	26,346	26,346	-	-	-
Other receivables	<u>1,625</u>	<u>1,142</u>	<u>-</u>	<u>-</u>	<u>483</u>
Total other receivables	44,062	<u>\$ 39,302</u>	<u>\$ 3,036</u>	<u>\$ -</u>	<u>\$ 1,724</u>
Allowance for Doubtful Accounts	<u>(553)</u>				
Total Other Receivables	<u>43,509</u>				

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

5. Contingency Reserve Fund

The *Legal Aid Services Act, 2020* came into force in October 2021. Section 28(3) of LASA 2020 requires LAO to maintain a contingency reserve fund in accordance with the regulations. Section 5 of Ontario Regulation 672/21 allows LAO to maintain and operate a contingency reserve fund in accordance with prescribed requirements, including that LAO shall, when it is able to do so without affecting the provision of legal aid services, pay capital amounts from its net accumulated surpluses into the fund. Under section 5.2, the total capital amount of the fund shall not exceed \$20 million. The balance of Contingency Reserve Fund at March 31, 2025 is \$20 million (2024 - \$20 million).

6. Capital Assets

			Office Furniture & Equipment	IT Hardware	Leasehold Improvement	Enterprise Wide Software	Total			
2025	(\$000's)									
Cost										
Balance, open		\$	736	\$	2,105	\$	22,989	\$	29,739	
Additions			57		538		14		746	
Disposals			(10)		(506)		(209)		-	
Balance, close			783		2,137		3,714		23,126	
Accumulated Amortization										
Balance, open			59		1,137		829		20,195	
Amortization			156		565		664		1,893	
Disposals			(10)		(506)		(209)		-	
Balance, close			205		1,196		1,284		22,088	
Net book value			\$	578	\$	941	\$	2,430	\$	1,038
2024	(\$000's)									
Cost										
Balance, open		\$	144	\$	2,880	\$	981	\$	22,874	
Additions			701		454		3,114		115	
Disposals			(109)		(1,229)		(186)		-	
Balance, close			736		2,105		3,909		22,989	
Accumulated Amortization										
Balance, open			112		1,549		800		17,998	
Amortization			56		817		215		2,197	
Disposals			(109)		(1,229)		(186)		-	
Balance, close			59		1,137		829		20,195	
Net book value			\$	677	\$	968	\$	3,080	\$	2,794

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

7. Accounts Payable and Accrued Liabilities

	2025 (\$000's)	2024 (\$000's)
Legal accounts		
- accruals for billings received but not paid	\$ 20,500	\$ 21,017
- estimate of work performed but not yet billed	72,290	71,778
Trade and other payables	10,254	11,912
Vacation pay	5,627	5,761
	<u>\$ 108,671</u>	<u>\$ 110,468</u>

8. Deferred Capital Contributions

The change in the deferred contributions balance is as follows:

	2025 (\$000's)	2024 (\$000's)
Balance, beginning of year	\$ 2,337	\$ 4,863
Less: Amount recognized as revenue in the year	<u>(1,590)</u>	<u>(2,526)</u>
	<u>\$ 747</u>	<u>\$ 2,337</u>

9. Invested in Capital Assets

Invested in capital assets represents the amount of net assets that are not available for other purposes because they have been used to fund the purchase of capital assets. Changes in net assets invested in capital assets during the year consist of the following:

	2025 (\$000's)	2024 (\$000's)
Balance, beginning of year	\$ 5,182	\$ 1,557
Purchase of capital assets	746	4,384
Deferred Capital Contributions Recognized in Year	1,590	2,526
Amortization	<u>(3,278)</u>	<u>(3,285)</u>
Balance, end of year	<u>\$ 4,240</u>	<u>\$ 5,182</u>

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

10. Government Funding

The Agencies and Appointments Directive requires LAO and the Ministry of the Attorney General ("MAG") to enter into a Memorandum of Understanding ("MOU"). The purpose of the MOU is to clarify the operational, administrative, financial, and other relationships between MAG and LAO. Following the proclamation of the new Legal Aid Services Act 2020, LAO signed a new MOU on November 14, 2022.

Total contributions received from MAG and the Federal Department of Justice are as shown below:

	2025 (\$000's)	2024 (\$000's)
Provincial funding	\$ 269,704	\$ 270,590
Federal criminal funding	76,848	70,708
Federal Immigration and Refugee funding	<u>71,500</u>	<u>61,721</u>
Total Government funding	<u>\$ 418,052</u>	<u>\$ 403,019</u>

LAO is economically dependent on government funding and the Law Foundation of Ontario ("LFO"): the proportion of LAO's revenue from these funds represented 57% (2024 - 53%) and 38% (2024 - 43%) respectively.

11. Protocol Cases

	2025 (\$000's)	2024 (\$000's)
Provincial Protocol Revenue	\$ 9,110	\$ 8,496
Federal Protocol Revenue	<u>761</u>	<u>814</u>
Total	<u>\$ 9,871</u>	<u>\$ 9,310</u>

12. Expenses by Object

The table below provides totals for each expense category:

	2025 (\$000's)	2024 (\$000's)
Salaries and wages	\$ 134,232	\$ 120,594
Employee benefits	36,367	31,134
Transportation and communication	2,108	2,007
Services	287,126	256,564
Supplies and equipment	18,746	17,253
Amortization	3,278	3,285
Transfer payments - External (Clinics)	<u>106,188</u>	<u>101,371</u>
	<u>\$ 588,045</u>	<u>\$ 532,208</u>

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

13. Expenses

The tables below provides a breakdown of the various expense categories:

	2025 (\$000's)	2024 (\$000's)
Certificate Program		
Criminal - Big cases	\$ 22,957	\$ 23,322
Criminal - Other	93,504	82,018
Family	51,798	52,018
Immigration and refugee	58,155	47,102
Other civil	11,103	10,329
Sub-total	<u>237,517</u>	<u>214,789</u>
Protocol Cases	9,698	8,956
Client service centre	20,900	16,279
Program Support - Certificates	8,188	7,525
Bad Debts	<u>2,965</u>	<u>3,608</u>
Total Certificate Program	<u>\$ 279,268</u>	<u>\$ 251,157</u>
Duty Counsel and Staff Services Program		
Duty Counsel - Criminal	\$ 64,670	\$ 55,564
Duty Counsel - Civil	23,482	20,981
Staff Legal Services	32,970	24,228
Program Support - Regional Services	2,213	2,767
District Offices	<u>13,444</u>	<u>13,645</u>
Total Duty Counsel and Staff Services Program	<u>\$ 136,779</u>	<u>\$ 117,185</u>
Clinic Program		
Transfer to Clinics	\$ 97,358	\$ 93,231
Transferred to Student Legal Aid Services	6,671	5,922
Program Support - Clinic	<u>8,864</u>	<u>7,424</u>
Total Clinic Program	<u>\$ 112,893</u>	<u>\$ 106,577</u>

Clinic Program

LAO provides funding to community clinics, enabling them to provide poverty law services to the community they serve on a basis other than fee for service. The community clinics are organizations structured as corporations without share capital and are governed and managed by a board of directors. Community clinics are independent from, but accountable to, LAO under Section 5 of the *Legal Aid Services Act, 2020*. Each community clinic is independently audited and is required to provide audited financial statements to LAO for the funding period.

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

13. Expenses - Continued

	2025 (\$000's)	2024 (\$000's)
Other Programs		
Aboriginal Justice Strategy - Gladue	\$ 2,978	\$ 2,679
Nishnawbe-Aski Duty Counsel Services	<u>3,277</u>	<u>3,503</u>
Total Other Programs	<u>6,255</u>	<u>6,182</u>
TOTAL CLIENT PROGRAMS	<u>\$ 535,195</u>	<u>\$ 481,101</u>
Administrative and Other Costs		
Head office	\$ 49,572	\$ 47,822
Amortization	<u>3,278</u>	<u>3,285</u>
Sub-total	<u>52,850</u>	<u>51,107</u>
TOTAL EXPENSES	<u>\$ 588,045</u>	<u>\$ 532,208</u>

14. Commitments and Contingencies

- (a) LAO leases equipment, and various office premises at locations throughout the Province. The rent and estimated operating costs are based on existing lease agreements and charges for additional rent. Estimated lease expenses for the next five years and thereafter are as follows:

	Base Rent	Operating Costs	Equipment	Total
	(\$000's)	(\$000's)	(\$000's)	(\$000's)
2026	\$ 2,032	\$ 462	\$ 26	\$ 2,520
2027	1,965	450	26	2,441
2028	1,399	419	18	1,836
2029	325	325	-	650
2030	302	301	-	603
Thereafter	<u>510</u>	<u>508</u>	<u>-</u>	<u>1,018</u>
	<u>\$ 6,533</u>	<u>\$ 2,465</u>	<u>\$ 70</u>	<u>\$ 9,068</u>

- (b) LAO is the defendant in a number of lawsuits arising in the ordinary course of business. The outcome and ultimate disposition of these actions are not known; however, based on the claims made, management estimates an amount of \$1.0 million (2024 - \$0.8 million) and made the necessary provision. Some of those lawsuits are covered by insurance after the application of a deductible of up to \$50 thousand, depending on when the event of the claim occurred and the nature of the claim.

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

15. Pensions

i) Contributions made to Public Service Pension Plan (PSPP) and Onatrio Public Service Employees' Union (OPSEU) Pension Plan

	2025 (\$000's)	2024 (\$000's)
PSPP	\$ 7,770	\$ 3,382
OPSEU pension plan	4,479	1,799
Total contributions	<u>\$ 12,249</u>	<u>\$ 5,181</u>

The 2024 contributions do not encompass the entire year. They are from September 2023 to March 2024.

ii) Supplementary Executive Benefit Plan

The Board of LAO approved the establishment of a supplementary executive benefit plan for a designated executive member. Under the plan, benefits at retirement are related to years of service and remuneration during the years of employment. The plan is unfunded and the benefits will be paid by LAO as they become due. The accounting valuation for the unfunded retirement plan has been performed as at March 31, 2025.

The significant actuarial assumptions adopted in measuring the accrued benefit obligation and expense for the year are as follows:

	2025	2024
Discount rate	4.58%	4.15%
Inflation	3.05%	3.73%

LAO's pension expense for the year for this plan was \$0.12 million (2024 - \$0.18 million). The accrued benefit obligation and the accrued benefit liability as at March 31, 2025 was \$2.86 million (2024 - \$2.88 million). During the year, LAO made \$0.14 million (2024 - \$0.12 million) payments to the plan. Benefits to the retiree began on April 1, 2016.

	2025 (\$000's)	2024 (\$000's)
Accrued Pension Liability		
Supplementary Executive Benefit Plan	<u>\$ 2,859</u>	<u>\$ 2,879</u>

Legal Aid Ontario Notes to Financial Statements

March 31, 2025

16. Financial Instruments Risks

LAO is exposed to various risks through transactions in financial instruments and funding impacted by economic conditions.

Interest Rate Risk

LAO is exposed to interest rate risk with respect to its investments held at variable interest rates.

Investments of \$138.7 million (2024 - \$48.7 million) have interest rates ranging from 3.5% to 5.0% (2024 - 4.95% to 5.8%) with multiple maturity dates between May 20, 2025 to December 9, 2026 (2024 - July 20, 2024 to May 20, 2025). These interest rates vary with the Canadian prime rate.

Credit Risk

LAO's maximum exposure to credit risk at the financial statement date is the carrying value of its accounts and other receivables and its fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. Accounts receivable is recorded net of any allowances for impairment (note 4 (a)).

Liquidity Risk

LAO has a limited risk that it will encounter difficulty in meeting obligations associated with its financial liabilities. LAO has a sufficient cash reserve for the near term, but the historical variability of government funding and Law Foundation of Ontario revenue have the potential for future liquidity risk. To manage liquidity and ensure that LAO gets stable funding for future years, LAO is continuing to work closely with MAG to monitor financial performance and expected funding needs. If stable funding is unavailable, LAO's level of services to its clients may be impacted and reduced.

Short-term obligations include accounts payable and accrued liabilities and are expected to be repaid within the next fiscal year.

These risks have not changed from the prior year.

Legal Aid Ontario

20 Dundas St. West, Suite 730

Toronto, ON M5G 2H1

1-800-668-8258

info@lao.on.ca

www.legalaid.on.ca