



Public Guardian and  
Trustee of Manitoba

# 2016 - 2017

ANNUAL REPORT

# 2016 2017







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**ATTORNEY GENERAL  
MINISTER OF JUSTICE**

Room 104  
Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

The Honourable Janice C. Filmon, C.M., O.M.  
Lieutenant Governor of Manitoba  
Room 235 Legislative Building  
Winnipeg MB R3C 0V8

May it Please Your Honour:

I have the privilege of presenting for the information of Your Honour the Annual Report of the Public Guardian and Trustee Special Operating Agency for the fiscal year ending March 31, 2017.

Respectfully submitted,

original signed by

Honourable Heather Stefanson  
Minister of Justice  
Attorney General







Justice  
Deputy Minister of Justice and Deputy Attorney General  
Room 110 Legislative Building, Winnipeg, Manitoba, Canada R3C 0V8

Honourable Heather Stefanson  
Minister of Justice  
Attorney General  
Room 104 Legislative Building  
Winnipeg MB R3C 0V8

Dear Minister:

I submit for your consideration the Annual Report of the Public Guardian and Trustee Special Operating Agency for the fiscal year ending March 31, 2017.

The results of the 2016/17 fiscal year indicate that the SOA continues to be effective in meeting client needs and in its planning for the future.

The Advisory Board is pleased with the success of the Public Guardian and Trustee and encouraged by the ongoing commitment of its employees.

Respectfully submitted,

original signed by

Dave Wright  
Deputy Minister of Justice and  
Deputy Attorney General







# Public Guardian and Trustee of Manitoba

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155 Carlton St, Suite 500  
Winnipeg, MB R3C 5R9  
CANADA

Dave Wright  
Deputy Minister of Justice and  
Deputy Attorney General  
110 Legislative Building  
Winnipeg MB R3C 0V8

Dear Sir:

In accordance with the provisions of Section 36 of *The Public Guardian and Trustee Act* and the requirements of a Special Operating Agency, I submit the Annual Report of the Public Guardian and Trustee for the fiscal year ending March 31, 2017.

Yours truly,

original signed by

Douglas R. Brown  
Public Guardian and Trustee



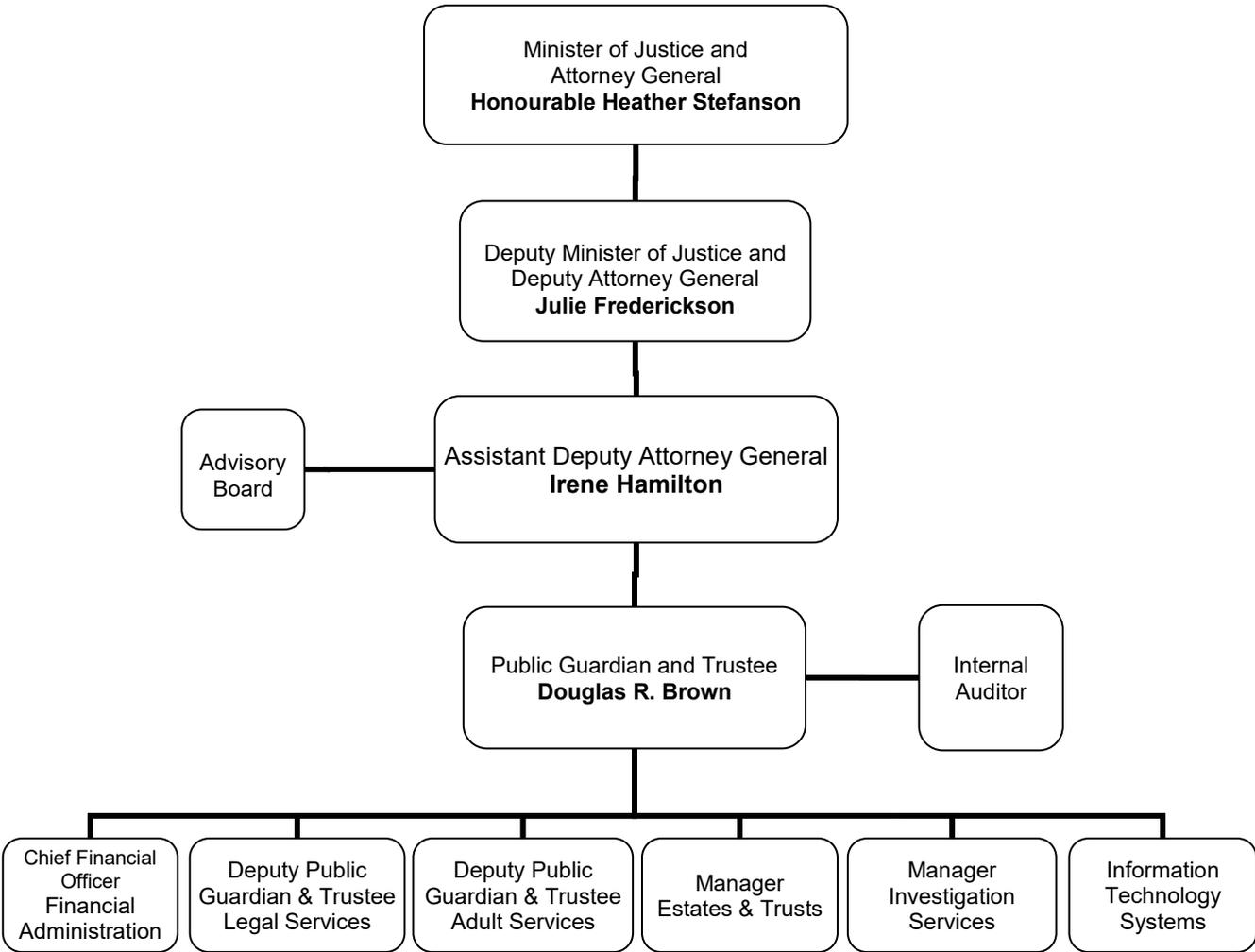


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# Public Guardian and Trustee Organizational Chart March 31, 2017





A.

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# INTRODUCTION AND OVERVIEW





# Message from the Public Guardian and Trustee

This report provides some insight into the complexity of the work done by the Public Guardian and Trustee. We continue to provide a variety of services to an increasing number of clients, estates and trusts in a variety of situations. The dollar value of assets under management continues to increase. We continue to work with service providers to ensure the needs of each client are met to the greatest extent possible. We continue to operate in a fiscally responsible manner. The fees we collect fund the services we provide and are consistent with what is charged by other providers of trustee, guardianship and estate services.

What is difficult to capture in this type of report is the human element associated with the services we provide. The Public Guardian and Trustee is appointed when there is no one else able or willing to act; often in times of crisis. A client may not have asked, or even want, the Public Guardian and Trustee to be involved. Although our staff often work under very stressful conditions, each one of them understands the importance of the services we provide and the direct impact these services have on the well-being of the Manitobans we serve.

This past year has also seen a greater emphasis placed on examining how we currently deliver services as well as what can be done to improve the efficiency and effectiveness of our service delivery. An aging population means we will continue to face an increased demand for services. Retirements and departures of staff continue to result in a loss of continuity and “institutional” memory. Changes in technology mean that what was once done in the past by mail over a period of days is now expected to be done electronically (and often automatically) in minutes. As an organization we need to accept that the pace of change will only increase, and we need to take steps to respond to these changes.

We are taking steps to approach this challenge in a variety of ways, including:

- the use of Lean management processes to examine existing workflows
- ways to empower staff at all levels of the organization
- determining what new skills are needed
- identifying new technology to eliminate paper and automate routine processes
- identifying technologies which are efficient and adaptable to both current and future needs
- examining ways to improve risk management and remain in compliance with privacy legislation.

These changes are by no means quick or easy. However, by embracing a culture of change and improvement in the workplace I am confident we can provide our staff with the tools and support needed to continue the important and unique role the Public Guardian and Trustee has in providing services to Manitobans.

Douglas R. Brown  
Public Guardian and Trustee



# Overview

The Public Guardian and Trustee protects the interests of our clients by providing effective guardian and trustee services in a variety of situations. First established as the Public Trustee on February 1, 1973, we support the needs of approximately 3,559 individuals, 2,067 Estates and Trusts and manage approximately \$271,000,000 in assets.

We become involved through orders issued by a court, appointments under various laws and in some cases when appointed under a will, power of attorney or trust. We are appointed when it is determined there is no one else able or willing to act. We do not have the power to appoint ourselves to act for a client.

## ***When do we act?***

We represent our clients in a variety of situations:

- as committee when appointed under *The Mental Health Act*
- as substitute decision maker for adults when appointed under *The Vulnerable Persons Living with a Mental Disability Act*
- responding to requests for psychiatric treatment on behalf of mentally incompetent patients who cannot give consent, and have no one available to give consent
- as litigation guardian when a child or mentally incompetent person has no one available to represent their interests
- administering trust funds for children and adults with mental disabilities
- reviewing proposals to settle a lawsuit or insurance claim on behalf of a child to ensure the settlement is in the best interest of the child
- reviewing court applications made by a member the public who wants to be appointed as a committee
- as attorney under our Power of Attorney program which allows Manitobans who qualify to appoint us as attorney to assist them in the management of their affairs.

As we are appointed to act by others, the services we provide will depend on the type of appointment. We may be responsible for all personal and medical decisions on behalf of a client, or only limited types of decisions. As with any trustee or guardian, when we are appointed we are required to make decisions that otherwise would have been made by the client and be accountable for those decisions.

We manage each client's existing financial resources. We also work closely with a variety of outside agencies to identify and secure funds, accommodations and other services to support our clients.

When we are appointed to act as executor or administrator of a deceased person's estate we gather assets, identify and contact heirs, attend to the payment of debts, and distribute the estate to beneficiaries.



## ***What services do we provide?***

While the type of services we provide will vary depending on our role, these services include:

- preparing budgets and managing spending
- making and maintaining living arrangements
- managing property, including homes
- paying bills
- managing debts
- accessing services and programs from government and outside agencies
- making personal decisions in consultation with client and family
- managing financial investments
- preparing and filing tax returns
- medical decisions
- locating heirs and administering estates
- managing trust funds
- public education through brochures and seminars.

In order to provide these services we maintain a high level of professional expertise in matters involving accounting, legal and tax matters. We manage a common fund where financial assets of clients are pooled and maintained in a safe and conservative manner. We also delegate the delivery of some services to Regional Health Authorities and other agencies, particularly where an agency is in a position to have and maintain ongoing contact with our client.

We charge fees for our services. Our fees are set at amounts to ensure we are in a position to recover the cost of our operations, which includes the costs associated with providing services to clients with limited resources.

More detailed descriptions of what we do are contained later in this report.



# RÉSUMÉ DES RÉALISATIONS DE 2016-2017



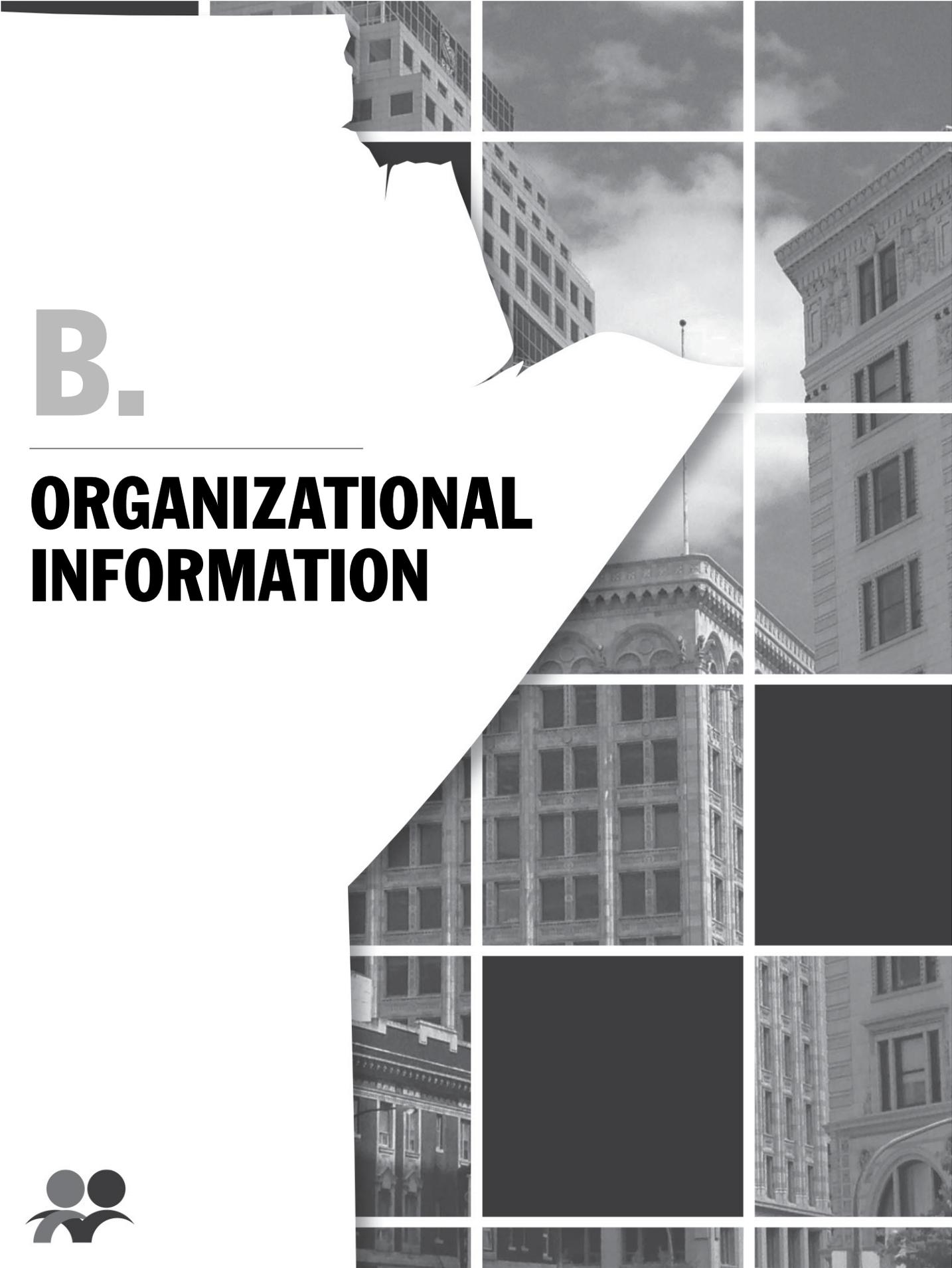
1. Le Bureau du tuteur et curateur public du Manitoba a effectué des présentations à Brandon, à Portage la Prairie, à Sanford et à Winnipeg. De plus, il a organisé 18 ateliers à la demande d'organismes publics, de groupes de service, de divers ministères et du public. En tout, 1 127 personnes ont assisté à ces présentations et ateliers.
2. Le tuteur et curateur public a ouvert 53 REEI (régime enregistré d'épargne-invalidité) pour des clients, ce qui a porté à 1 111 le nombre total de REEI dont ses clients sont titulaires. Les cotisations depuis le lancement du programme en 2008 ont atteint au total 4 253 026 \$. Le montant détenu dans des REEI s'élève à 16 626 395 \$.
3. Le Bureau continue à utiliser des examens de gestion allégée et d'autres méthodes pour déterminer quelles sont les efficacités des procédés en place et les améliorer, de même que pour appuyer les changements technologiques futurs.
4. Le Bureau continue à examiner des façons de mettre à jour les systèmes de traitement de l'information. Cela comprend des améliorations aux systèmes actuels ainsi que la détermination de nouvelles technologies pour une mise en œuvre future.
5. Les Services d'enquête ont donné suite à 158 demandes de recherche initiale et de procédures d'inventaire pour des clients du Bureau du tuteur et curateur public résidant à Winnipeg. Les Services d'enquête ont répondu à ces demandes en respectant leurs normes de service.
6. Des membres de la Section du contentieux ont participé à plusieurs activités éducatives destinées au public, dont la semaine des testaments et la Journée du droit. Parmi les autres présentations et séminaires publics, citons les présentations à l'École de droit de l'Université du Manitoba et à l'Association du Barreau du Manitoba. Un membre de la Section du contentieux a siégé au comité de révision des pratiques relatives aux successions devant la Cour du Banc de la Reine et un autre au comité des Règles de la Cour du Banc de la Reine.



**B.**

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**ORGANIZATIONAL  
INFORMATION**



# Organization

The Public Guardian and Trustee (PGT) was established as a corporation sole under *The Public Trustee Act* on February 1, 1973. The legal authority for the PGT is currently in *The Public Guardian and Trustee Act* (PGT Act) which came into force on April 1, 2014.

The PGT has a corporate seal and perpetual succession and functions separately from government. It is capable of suing or being sued on behalf of its clients, or the trusts and estates it administers.

The PGT is accountable for its actions in a variety of ways:

- the PGT is a branch of the Department of Justice of the Province of Manitoba and is accountable to the Deputy Minister and the Minister for operational performance.
- the PGT Act requires the Auditor General to audit the books and accounts of the PGT. These audits are reported to the Legislature by the Minister of Finance.
- the PGT Act requires an annual report be made to the Minister of Justice which is presented by the Minister to the Legislature.
- as a Special Operating Agency (SOA) under *The Special Operating Agencies Financing Authority Act* (since April 1, 1996) the PGT operates on a full cost recovery (revenue) basis. The PGT is accountable to Treasury Board for its financial performance. As a SOA the PGT operates outside the Consolidated Fund under the Special Operating Agencies Financing Authority, which holds title to PGT assets, provides financing for operations and is responsible for the PGT's liabilities. Accountability is supported by the PGT's compliance with its Operating Charter, transfer agreement, management agreement, applicable General Manual of Administration Policies.
- the PGT has an External Investment Committee available to consult on matters involving the operation of the PGT's common fund. The Common Fund pools financial assets of clients in a cost effective and secure manner.
- the PGT has an Advisory Board.



## Advisory Board

The PGT provides a business plan and quarterly reports to its Advisory Board. The Board was established by the PGT Operating Charter for review and consultation on short and long-term strategic planning, management, and operating issues of concern to the private and public sectors. Its members are appointed by the Minister of Justice and it is chaired by the Assistant Deputy Minister. The Board meets quarterly to provide advice to the PGT on its direction, the annual business plan and its financial reporting requirements. As of March 31, 2017 the members of the Board were:

<b>Chair</b>	Irene Hamilton Assistant Deputy Attorney General Manitoba Justice	
<b>Members</b>	Douglas R. Brown Public Guardian and Trustee	ex officio
	Richard Sohor Chief Financial Officer Public Guardian and Trustee	ex officio
	L. Jean Sikomas Senior Will and Estate Planner Estate & Trust Services, STI, PFP Scotia Private Client Group	Private Sector Representative
	Jean Cox Assistant Deputy Minister Regional Programs and Services Manitoba Health	Client Representative
	Tracy Sotheran Adult Services Administrator Public Guardian and Trustee	Employee Representative



## **External Investment Committee**

The PGT Chief Financial Officer Chairs the External Investment Committee which meets on a quarterly basis or as required to provide advice to the PGT on matters relating to the management of investments made in the Common Fund. The Common Fund pools financial assets of clients in a cost effective and secure manner.

<b>Chair</b>	Richard Sohor Chief Financial Officer Public Guardian and Trustee
<b>Members</b>	Douglas R. Brown Public Guardian and Trustee
	Gordon MacKay Senior Manager Finance Treasury Division Bell MTS Inc.
	Garry Steski Assistant Deputy Minister Treasury Division Manitoba Finance
	Jori Carroll Investment Officer Public Guardian and Trustee



# Operations

The PGT provides a variety of services to our clients from offices in Winnipeg and Brandon. In order to service our clients, our staff is organized into operational sections. Each section has a manager who is also part of the senior management team reporting to the PGT.

## **Senior Management:**

The Senior Management Team is involved in strategic planning and management of PGT operations.

- Public Guardian and Trustee
- Deputy Public Guardian and Trustee – Adult Services
- Deputy Public Guardian and Trustee – Legal
- Chief Financial Officer
- Manager, Estates and Trusts
- Manager, Investigations
- Senior Application Specialist

## **Administration:**

The Administration section provides support for all PGT operations. The Administration section is also responsible for the design and implementation of an Internal Audit program which monitors PGT operations.

- Public Guardian and Trustee
- Internal Auditors
- Administrative Assistant

## **Adult Services:**

This section manages the personal and financial affairs of vulnerable persons and mentally incompetent adults.

The Winnipeg office is composed of:

- Deputy Public Guardian and Trustee – Adult Services
- Supervisor, Adult Services
- Adult Services Administrators
- Administrative Assistants
- Estates Administration Clerk
- Medical Claims Clerk

The Brandon office is composed of:

- Adult Services Administrator
- Administrative Assistant



**Estates and Trusts:**

This section administers deceased estates, adult and children's trusts. This section is composed of:

- Manager, Estates and Trusts
- Estates Officers
- Administrative Assistants
- Trust Administration Clerk

**Financial Administration:**

This section manages the financial administration services for all clients, estates and trusts, the Common Fund, and the revenues and operating budget of the office. This section is composed of:

- Chief Financial Officer
- Senior Accountant
- Accountant
- Investment Officer
- Tax Clerks
- Accounting Staff

**Investigation Services:**

Investigators work in the community to support the services provided to clients, estates and trusts. Investigators inspect and prepare inventories, make purchases of goods and services required by clients, and other services as required. This section is composed of:

- Manager, Investigation Services
- Investigators
- Chattel Clerk

**Legal:**

The Legal section provides a variety of legal services for PGT clients, estates and trusts. This includes representation in court, the conduct of real estate and other legal transactions, and providing legal advice as required. The Legal section is also asked by courts to provide advice on matters before the court. Legal Counsel also provides legal advice to the PGT. This section is composed of:

- Senior Counsel
- Legal Counsel
- Administrative Assistants

**Information Technology Systems:**

This section manages and maintains the existing information technology systems used by PGT. This section is also actively involved in obtaining and developing new information technology systems. This section is composed of:

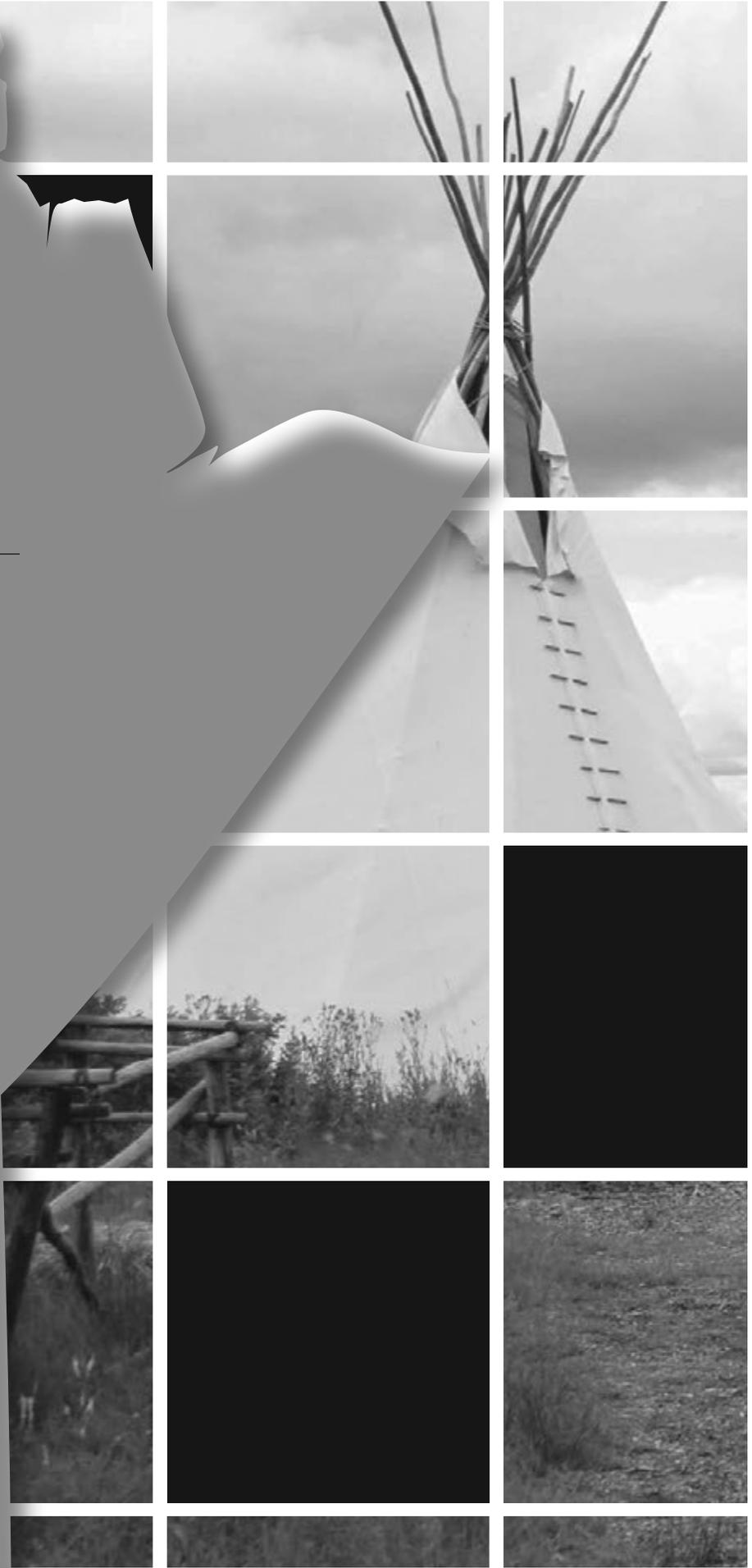
- Senior Application Specialist
- Application Specialist



C.

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**SERVICES**



This section describes the services provided to the public, clients, estates and trusts by the PGT. Support for these services is provided by staff in the Financial Administration, Investigations, Legal and Information Technology Systems sections of the PGT.

## Adult Services

The Adult Services section has several functions.

### 1. Committee of people who have been found incapable of managing their own property or personal decisions pursuant to *The Mental Health Act*.

There are three ways the PGT may be appointed as committee:

#### a) By an *Order of Committeeship* issued by the Director of Psychiatric Services

This is an administrative process that does not require a court order. The process begins when a medical professional, social worker, or other interested person identifies a need for the PGT's involvement as committee for a mentally incompetent person. The person is examined by a physician. If the physician agrees that the person is mentally incompetent and requires the services of the PGT, a Certificate of Incapacity is completed, and sent with background information about the person to the Director of Psychiatric Services for Manitoba.

The Director of Psychiatric Services gives notice to the person and involved family that consideration is being given to issue an Order of Committeeship. They then have an opportunity to object in writing. The Director may also request further information, or meet with interested persons. The Director will consider any objections together with all information received, and make a decision whether or not to issue an Order of Committeeship.

If the Order of Committeeship is issued, the PGT is appointed to manage the person's personal and financial affairs until the person is declared mentally competent, or The Court of Queen's Bench makes an order removing the PGT.

The appointment of the PGT as committee pursuant to an Order of Committeeship is always an appointment of last resort, where there is no one else willing, able or suitable to act, and there is a demonstrated need for the appointment.

#### b) By a *Certificate of Incompetence to Manage Property* issued for a patient in a psychiatric facility

Upon admission to a psychiatric facility, a patient is examined by a physician to determine whether the patient is able to manage his or her financial affairs. If not, the physician completes a certificate appointing the PGT to manage the financial affairs while the patient remains in hospital. Upon the person's discharge from hospital, the PGT's jurisdiction as committee ends.



c) *By an Order of The Court of Queen's Bench*

The Court of Queen's Bench may grant an order appointing the PGT as committee of property and personal care. This may happen when the court is not satisfied that a private applicant for committeehip is a suitable person to be appointed, or where an existing committee is no longer willing, able or suitable to act, and there is no one else the court can appoint. The PGT's appointment continues unless or until the court makes an order removing the PGT as committee.

**2. Provides consent (or refusal) to psychiatric or medical treatment for patients in psychiatric facilities who have been declared by their doctor to be incapable of providing informed consent on their own and have no family who can consent for them.**

Upon admission to a psychiatric facility, patients are examined by a physician to determine whether or not they are capable of consenting or refusing to consent to medical or psychiatric treatment. If not, a Certificate of Incompetence to Make Treatment Decisions is completed. If there is no proxy appointed in a Health Care Directive, no court appointed committee or family members willing, suitable or able to give substituted consent to treatment, the PGT will be asked to make treatment decisions for the patient.

The PGT's authority to make treatment decisions lasts only until the person becomes capable of making the decisions or is discharged from the psychiatric facility, whichever happens first.

**3. Acts as Substitute Decision Maker (SDM) for people who have been found incapable of managing their own property or personal decisions under *The Vulnerable Persons Living with a Mental Disability Act*.**

The PGT may be appointed by the Vulnerable Persons Commissioner (VPC) as SDM for adults living with a mental disability. The process begins when a person applies to the VPC for the appointment of an SDM for property and/or personal care of a person who falls within the jurisdiction of *The Vulnerable Persons Living with a Mental Disability Act*. The person, family and other interested persons receive notice of the application, and have the right to appear before a hearing panel.

The hearing panel's duty is to decide if a SDM is necessary, and if so, what authority it should have. After hearing all the information from interested parties, the hearing panel makes a recommendation to the VPC. If the VPC is satisfied that a SDM is required, and there is no one else willing, able or suitable to act, the VPC may appoint the PGT. The appointment will clearly state what authority the PGT has, and how long the authority lasts, to a maximum of five years. The VPC will only appoint the PGT as SDM as a last resort, and will only grant authority to make decisions in areas where there is a demonstrated need.

**4. Acts as attorney pursuant to an enduring power of attorney given to the PGT by a mentally competent adult.**

The PGT has discretion to accept powers of attorney from mentally competent Manitobans who have estates of \$250,000 or less, and who require assistance administering their



financial affairs. The PGT’s authority continues until the donor revokes the power of attorney, the PGT is appointed as committee, or the donor dies.

## 5. Delegation of Authority

As of March 31, 2017, the PGT acted as committee, SDM or attorney for 3,559 adult clients. It is not possible for staff to meet with or provide direct service to each of these clients. As a result, the PGT delegates certain authority to:

- a) Manitoba Family Services. Specifically the delegation is to the Executive Director of Disability Programs, the Executive Director of Winnipeg Services or the Executive Director of Rural and Northern Services. This does not include clients in Manitoba Developmental Centre (see (b) below) or St. Amant. The PGT provides services directly to clients at St. Amant with the assistance of social workers and other St. Amant staff;
- b) Manitoba Developmental Centre (MDC). Delegated authority to MDC is limited to minor medical procedures and authority to apply to a Justice for an order for apprehension of a resident who has absconded from the centre.
- c) the Regional Health Authority where the client resides. However, if a client resides in a personal care home in Brandon or Winnipeg, there is no delegation of authority. Authority is also not delegated for clients in psychiatric facilities, including Selkirk Mental Health Centre. In those cases, the PGT provides services directly to the client with the assistance of the personal care home or psychiatric facility social worker or other appropriate staff member.

### Delegated Decisions

1. Identify and facilitate appropriate residence;
2. Identify and facilitate appropriate day services;
3. Facilitate the provision of regular medical and dental care;
4. Facilitate the planning of leisure time for the person;
5. Coordinate the provision of individual support services;
6. Communicate with the person’s family members;
7. Monitor and/or oversee the management of personal allowances in accordance with the Department of Family Services’ policy on Management of Personal Funds of Clients in the Community; and
8. Apply for and enforce an Order of Apprehension pursuant to s.62 of *The Vulnerable Persons Living with a Mental Disability Act*.

### Decisions not Delegated

1. Administration of financial affairs, including the filing of income tax returns, applying for pensions and other financial benefits, and estate planning;
2. Administration of legal affairs;
3. Consent to psychiatric or medical treatment;
4. Consent to release contents of confidential files or clinical records; and
5. Decisions affecting the person’s human rights.



# Estates and Trusts

The Estates and Trusts section has two major functions.

## 1. Administers estates of persons who die in Manitoba where there is no one willing, able or suitable to administer their estates.

The PGT is an administrator of last resort, and does not actively seek to administer estates. However, the PGT may administer an estate in the following circumstances:

- a) Upon a court order to do so where:
  - the deceased has no family in Manitoba willing, able or suitable to act as administrator;
  - there is a dispute as to who should act as administrator; or
  - the executors named in the will are unwilling, unable or unsuitable to act.
- b) After the death of a client for whom the PGT acted as committee or SDM. The PGT has limited authority to continue acting until a personal representative is appointed by the court to administer the estate; or
- c) When the PGT is named as executor in a will.

The PGT's duty as executor or administrator is to gather in the estate assets, pay debts and distribute the estate to those entitled in accordance with the will or the laws of Manitoba.

## 2. Administers Trusts for Children

The PGT administers trusts when required by court order or Manitoba law. Although there are many reasons why the PGT may be appointed to manage a trust for a child, some common reasons are as follows:

- A court ordered payment, settlement or insurance payment for a child. This may result from personal injury, death of a parent or family member, or if a child is the victim of a crime;
- A child is named as beneficiary of a registered investment, pension or life insurance policy or receives some other benefit or windfall, and there is no person authorized to manage the funds during the child's minority; or
- A child is a beneficiary or heir of an estate and there is no trustee to administer the assets during the child's minority.

The PGT's duty as trustee is to protect the trust assets and to ensure they are properly invested and disbursed in accordance with the trust instrument or applicable legislation.



# Legal Services

In addition to providing legal support to the PGT, the Legal section provides services outside of the agency in a variety of situations, which include:

- When appointed as Litigation Guardian or Litigation Administrator by the Court of Queen's Bench;
- Review of settlements of court actions involving parties under disability;
- Under various Manitoba laws which require the PGT to be served and to provide input to the Court;
- Representing the interests of parties under disability in passing accounts before a Master;
- Serving on Court of Queen's Bench Surrogate Practice Review Committee; and
- Serving on the Queen's Bench Rules committee.

## Public Education

The PGT recognizes the importance of providing information about what we do, as well as general information to assist the public.

### Speaking Engagements

The PGT conducts a variety of educational sessions on various topics to agencies, service groups, government departments and the general public. Some of these sessions are intended to provide information about our role, while others provide more general information on topics such as wills, estates and powers of attorney.

### Publications

The PGT has a number of publications available. All our publications are available in English and French at the following link on the PGT website:

<http://www.gov.mb.ca/publictrustee/pubs/index.html>.

### Information for the General Public

#### **1. The Committeeship Guidebook**

This booklet provides general guidance to private committees on their duties and responsibilities. It also provides examples of the required accounting as well as opening and closing inventories.

#### **2. Enduring Powers of Attorney Guidebook**

This is a detailed guidebook for anyone considering acting as an attorney under a power of attorney outlining the responsibilities and duties of an attorney together with a sample accounting.



### **3. A Legal Guide for Seniors**

The PGT co-operated with the Manitoba Seniors and Healthy Aging Secretariat in a booklet providing estate planning information for seniors.

### **4. Deceased Estates Handbook**

This is a detailed guidebook for the public about what to do when someone dies and there is an estate to administer.

## **Information About Services Provided by the Public Guardian and Trustee**

### **1. A Client Guide to the Public Guardian and Trustee's Client Administration Section**

This comprehensive guidebook was developed for clients of the PGT, their families and care providers. It provides information in a user-friendly format about the roles and services provided to adult clients of the PGT.

### **2. The Public Guardian and Trustee Fee Brochure**

This brochure details the fees charged for the services provided by the PGT.

### **3. The Powers of Attorney Pamphlet**

This pamphlet outlines the services the PGT provides when we agree to act as attorney under a power of attorney. It also includes the fee brochure and details of how the power of attorney document will be reviewed and signed.

### **4. Deceased Estates**

This is a detailed pamphlet in a question-and-answer format which outlines standard information regarding the PGT's services in administering deceased estates.

### **5. Children's Trusts**

This is a detailed pamphlet in a question and answer format which outlines standard information regarding the PGT's services in administering children's trusts.

### **6. Children's Trusts Education Program**

This program includes a video entitled "Trust" used as an educational tool for young adults who are about to receive money from a trust. In addition, we have six pamphlets and one quiz on the following subjects:

- Banking 101
- Cost of Living
- Goal Setting
- Quiz: How are you with Money?
- Budgeting
- Credit & Credit Cards
- Investment Options





D.

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**PERFORMANCE  
REPORTS**



# ACCOMPLISHMENTS

## Adult Services

### 1. Speaking Engagements

The PGT conducts quarterly education seminars. Presentations are also made by the PGT at the request of agencies, service groups, various government departments and the general public. The presentations made during the year were:

<u>Topic</u>	<u>Group</u>	<u>No. of Registrants</u>
Wills and POA	Winnipeg – Arms of the Cross Seniors	30
<b>Financial Management and the Role of the PGT as SDM</b>	<b>Quarterly Seminar – Brandon</b>	<b>180 - 40 in person / 140 telehealth</b>
Role of the PGT as SDM	Northern Region - Physicians, CLDs, CSW's	25 by telehealth
Role of the PGT as SDM	Winnipeg - Life's Journey	20
<b>Estate Issues &amp; Passing Accounts</b>	<b>Portage la Prairie – Continuing Learning and Education</b>	<b>47</b>
<b>Committeeship</b>	<b>Quarterly Seminar – Winnipeg</b>	<b>120</b>
Role of the PGT	Winnipeg – University	50
Role of the PGT as SDM and Committee	Winnipeg - New Directions	30
Committeeship	Winnipeg - WRHA	40
Wills, POA and HCD	Emerson MB - Seniors	40
Committeeship	Winnipeg – Manitoba Bar Assoc.	80
<b>Financial Management</b>	<b>Quarterly Seminar – Winnipeg</b>	<b>113</b>
Role of the PGT	Winnipeg - INAC Conference	60
<b>Committeeship and POA</b>	<b>Quarterly Seminar – Brandon</b>	<b>113 by telehealth</b>
Wills, POA and HCD	Sanford MB - MacDonald Services to Seniors	25
Committeeship and POA	Winnipeg – PPCO Office	12
Role of the PGT	Winnipeg – STEP Society of Trust and Estates Practitioners	40
Estate Issues & Passing Accounts	Winnipeg – Continuing Learning & Education	102
<b>TOTAL</b>		<b>1127</b>



## 2. Registered Disability Savings Plan (RDSP)

Registered Disability Savings Plans (RDSPs) provide for bonds and grants payable by the Federal Government to eligible disabled individuals. Eligible individuals are entitled to an annual bond of \$1,000 until they reach 49 years of age, to a maximum payment of \$20,000.

In addition, individuals who make annual contributions to his or her RDSP will receive Federal grants of three times the contribution, to an annual maximum of \$3,500 and a lifetime maximum of \$70,000.

In 2016/17, the PGT opened 53 new RDSP accounts for clients, bringing the total number of RDSPs held by PGT clients to 1,111. Contributions made since inception of the program in 2008 total \$4,253,026.00 with a total of \$16,626,395.00 held in RDSPs.

## 3. Adult Services Section – Activity for Year Ending March 31, 2017

The Adult Services section continues to provide a variety of services to a significant number of clients.

	March 31, 2016	Files Opened in Year	Files Closed in Year	March 31, 2017 End of Year
<b>Assets under Administration * (\$000's)</b>	<b>\$ 164,738</b>			<b>\$ 171,659</b>
<b>Number of Clients</b>	<b>3,488</b>	<b>478</b>	<b>407</b>	<b>3,559</b>

\*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2. d) of the Estates and Trusts financial statements).



# Estates and Trusts

## 1. Facebook

To ensure that the Agency maintains the delivery of its deceased estate and trust administration services in a cost effective and efficient manner, the PGT established a profile on social media (Facebook). Its purpose is to provide Estate and Trust Administrators with another tool to locate heirs and beneficiaries of estates and trusts, where other conventional methods have failed.

## 2. Estates and Trusts Section – Activity for the year ending March 31, 2017

	March 31, 2016	Files Opened in Year	Files Closed in Year	March 31, 2017 End of Year
<b>Assets Under Administration * (\$000's)</b>	<b>\$90,044</b>			<b>\$98,220</b>
<b>Deceased Estates</b>	<b>197</b>	<b>125</b>	<b>52</b>	<b>270</b>
<b>Children's Trust</b>	<b>1,239</b>	<b>137</b>	<b>180</b>	<b>1196</b>
<b>Adults Trust</b>	<b>772</b>	<b>189</b>	<b>90</b>	<b>871</b>

\*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2. d) in *Notes to Financial Statements*).



# Financial Administration

## 1. Managing Revenue and Expenses

There continues to be an increase in the dollar value of client assets managed, as well as an increase in the number of financial transactions that are processed. Checks and balances are in place to manage financial risk.

Financial Administration also manages the operating revenue and expenses of the PGT as a Special Operating Agency.

## 2. Financial Administration Section – Activity for the year ending March 31, 2017

Magnitude (\$000's)	2015/16	2016/17
Total Assets under Administration *	\$225,333	\$270,891
Receipts for year	\$107,810	\$109,928
Disbursements for year	\$107,590	\$100,119
Total Accounts/Files	6,033	6,257
Total Financial Transactions	383,302	392,971

\*Note: Assets under Administration are shown at values recorded on the client accounts and not as presented in the financial statements (see Notes 2. d) in *Notes to Financial Statements*).

# Information Technology Systems

During 2016/17 activities focused on day to day maintenance, improvements to existing information technology systems and the development of new systems.

## 1. New Systems Development

- a. The PGT has identified the acquisition of a document management system as a high priority. A scoping exercise began in December 2016 to determine the suitability of software that will enable the PGT to reduce paper, digitize documents and automate business processes.
- b. An evaluation of the results of a Request For Proposals for re-hosting PGT systems from a mainframe computer to servers on the Manitoba Government environment is continuing.



## 2. Current Systems Enhancements

- a. Internal applications were upgraded as necessary as part of the Government of Manitoba conversion to Microsoft Office 2016.
- b. The PGT uses SNA network infrastructure to manage printing from core operations. Modernizing this infrastructure with current software will greatly reduce risk. The first phase of this project began in January 2017 with the second phase expected in 2017/18.

## Investigation Services

The request for initial Search and Inventory procedures of residences for PGT clients residing in the City of Winnipeg remains fairly consistent. There were 153 such requests last fiscal year and 150 requests the previous year. In the 2016/17 fiscal year, the Investigation Services Section received 158 requests to complete initial Search and Inventory procedures of residences for PGT clients residing in the City of Winnipeg.

Investigators are also called upon to provide services to clients such as the purchasing of goods, recording of chattels, property searches and arranging of repairs to property. While many of these services represent small tasks, they have a significant impact on the quality of life of clients.

	March 31, 2016	S & I in the city of Winnipeg	S & I outside the city	March 31, 2017 End of Year
Number of Search and Inventory requests	150	158	57	215

## Legal

### 1. Public Education

Members of the Legal Department participated in several public education events, including Will Week and Law Day. Other public presentations and seminars included presentations to the University of Manitoba Law School and the Manitoba Bar Association. One member of the Legal Department served on the Court of Queen's Bench Surrogate Practice Review Committee, another on the Court of Queen's Bench rules committee.



**2. Legal Section – Activity for the year ending March 31, 2017**

	<b>March 31, 2016</b>	<b>Files Opened in Year</b>	<b>Files Closed in Year</b>	<b>March 31, 2017 End of Year</b>
<b>Number of Files at beginning of year</b>	<b>337</b>	<b>387</b>	<b>363</b>	<b>361</b>



# Business Plan Goals

Each year in the Business Plan, the PGT identifies long and short-term business goals. The long-term goals are global and ongoing and do not require specific reporting. The short-term goals are specific and change every year. A report on those goals follows below.

## Long-Term Business Goals

1. To efficiently and effectively provide a service for a fee to the people of Manitoba by:
  - administering property, and where required, making personal decisions on behalf of people who are not mentally capable of doing so;
  - administering property for people who have granted a power of attorney to the PGT;
  - administering the estates of people who have died in Manitoba with no one capable or willing to act as administrator;
  - administering trust monies on behalf of children and administering testamentary and *inter vivos* trusts;
  - supporting all of these functions with legal, financial and accounting expertise; and
  - fulfilling additional roles pursuant to legislation or as ordered by the court.
2. To enhance the level of service provided to the clients, estates and trusts administered by the PGT.
3. To ensure the efficient use of resources by reviewing administrative policies and procedures and the financial results in our service and support areas.
4. To improve communication with all individuals and agencies with whom we have contact, and with the general public.
5. To approach recovery of the allocated costs of operations.



## Short-Term Business Goals

1. **To continue education seminars throughout the province regarding services offered by the Agency's Adult Services Section and related topics of interest to stakeholders and the community at large.**

During 2016/17, the PGT held 4 public education sessions.

Particulars of the seminars held in 2016/17 are contained in the chart below.

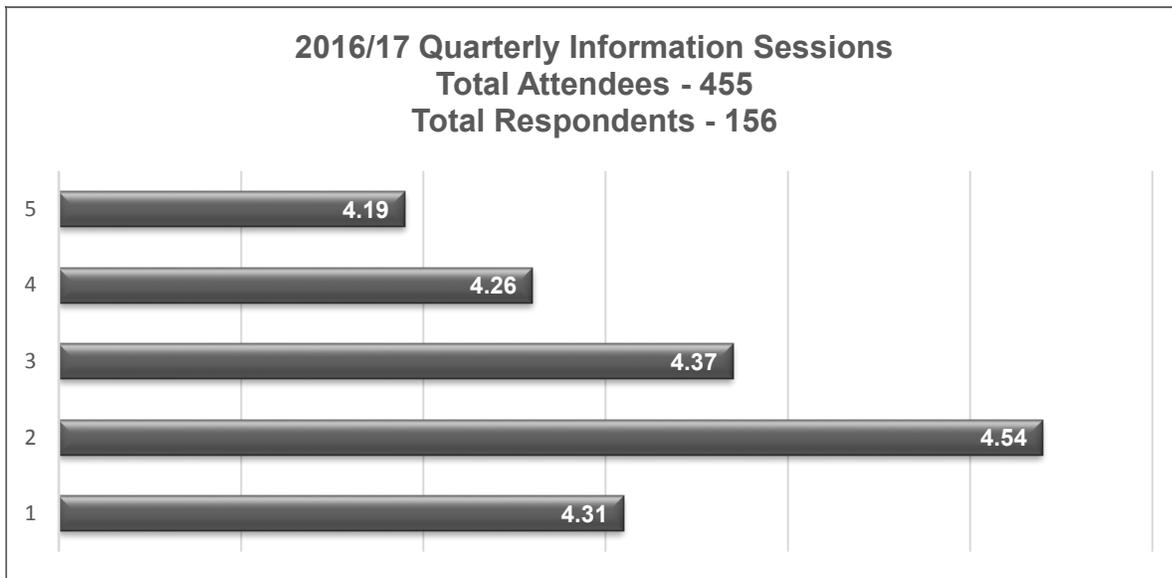
Participants in the seminars were asked to evaluate the content and format of the presentation. The data from the questionnaires was analyzed to provide an objective assessment of the seminars. This analysis is used to fine tune or otherwise adjust the quality and frequency of the seminars.

The participants were asked to rate various aspects of the seminars, including the quality of the presentations, materials and locations. The participants were asked to use ratings from 1 to 5, with 1 showing the lowest level of satisfaction, and 5 showing the highest level. A summary of the average rating for each seminar is included in Column 4 in the chart below.

<b>Date</b>	<b>Topic</b>	<b>Location</b>	<b>Number of Respondents</b>	<b>Average Seminar Rating out of 5</b>
June 24/16	Role of PGT as SDM & Financial Management	Brandon / Telehealth	36 of 153 registrants	4.00
Sept 29/16	Committeeship	Winnipeg	104 of 120 registrants	4.46
Feb 17/17	Financial Management	Winnipeg	8 of 113 registrants	4.60
March 2/17	Committeeship & POA	Winnipeg / Telehealth	8 of 69 registrants	4.28
<b>Total</b>			<b>156 of 455 registrants</b>	<b>4.34</b>

The overall ratings for all seminars, and the questions asked in the evaluation form are set out on the following page.





(Average Response by Question)

Questions:

1. I received the information I needed on the topic of the seminar;
2. The information was provided clearly and in an understandable manner;
3. There was sufficient opportunity for me to ask questions;
4. My questions were answered clearly and to my satisfaction; and
5. The format of the informational session met my needs.

## 2. Modernization of PGT

The modernization of PGT will allow for a more efficient delivery of services as well as position the PGT to meet future demands for services. The modernization of PGT includes the use of updated technologies, identifying and securing skills necessary to support the delivery of services and improvements to the workspace. Some of the goals pursued this year include:

- a. Commencing a Scoping exercise to determine whether a document management system could be implemented to reduce paper, digitize documents and automate business processes. A test environment was established and work on this goal began this year.
- b. Continue the evaluation of the potential for re-hosting PGT information systems from a mainframe computer to servers in the Manitoba Government environment
- c. Implementing improvements to existing technology to reduce risk
- d. Targeting the development of skills and resources to support Organizational Change Management and training for support staff
- e. Explore the feasibility of renovating existing physical space by creating a meeting room, inspection room and improve security of technology.
- f. Continued and expanded use of Lean Management reviews to improve efficiencies in workflows.

Progress was made on each of these goals in 2016/17.



# Employee Training

Training opportunities and information sessions are presented to employees. These sessions take place between September and June. They include topics of relevance to employees, and are presented by internal or external presenters. The topics presented in 2016/17 were:

<b>MONTH</b>	<b>TOPICS</b>
Sept 2016	The Homestead Act
October 2016	Criminal Matters
November 2016	Lean Management
January 2017	Document Management System
February 2017	Employment & Income Assistance
March 2017	5S Organizing
May 2017	Home Care
May 2017	Office 2016 Training
June 2017	MANDT Training
June 2017	Protection for Persons in Care (PPCO)

Employees are also encouraged to participate in training opportunities available from government agencies and outside providers to further professional development.



# Performance Framework

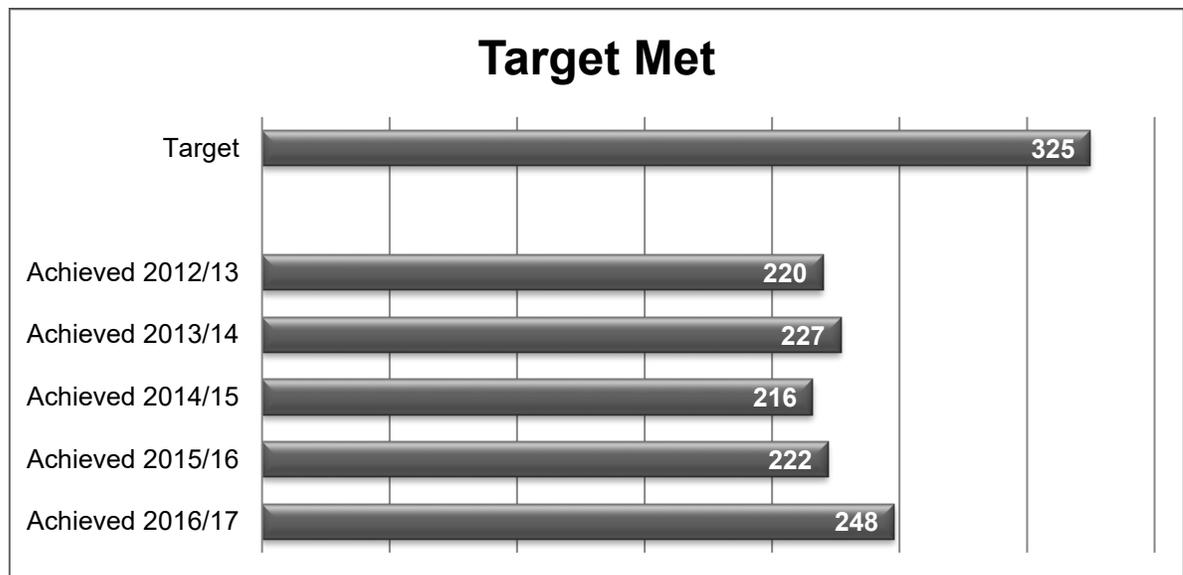
## Adult Services

- Objective:**  
**Estates of former clients will be paid out to the executor or administrator in a timely manner.**

When a client dies, the PGT retains authority over the estate of the client until the estate is paid out to an executor or administrator. During this period of time, the estate is managed by a Deceased Estates Clerk.

This performance measure may be affected by third party actions which the PGT cannot control. However, we believe that a general performance target can be set for this activity which is reflective of active due diligence by the PGT.

**Performance Target:**  
**To close deceased client files at a rate each year which reflects an average of 325 days or less.**



- Objective:**  
**To ensure that information regarding the PGT's programs and services is disseminated appropriately through the community.**

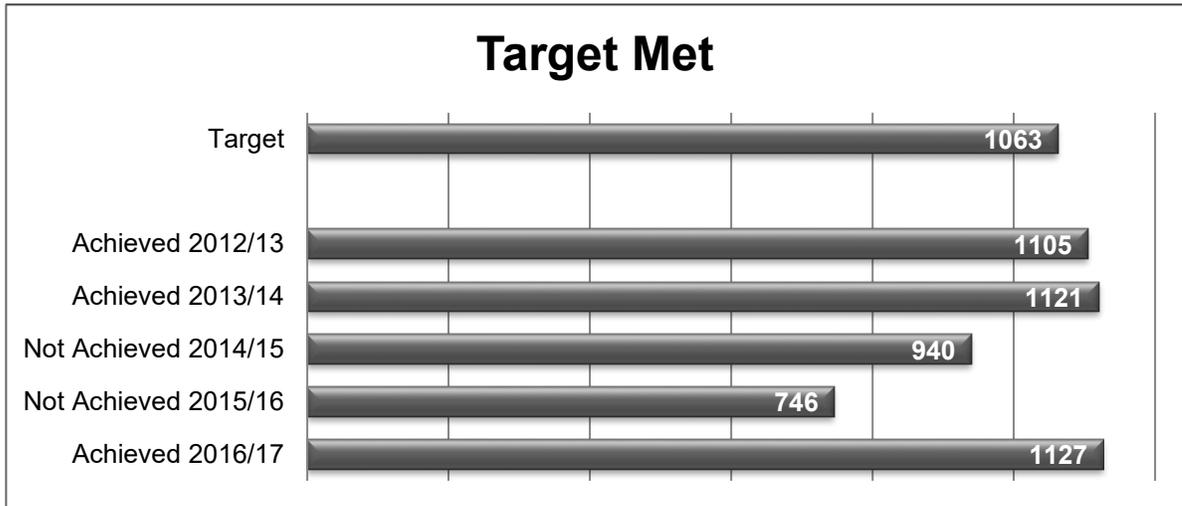
The PGT's programs and services are critical to a certain segment of society's functioning. Its programs and services are not widely understood by the general public and we realize that even stakeholders and service providers in the field need regular education about the PGT's programming and such topics as financial abuse, services for vulnerable adults, etc.



**Performance Target:**

**To maintain the number of persons who are educated with respect to the PGT at 1,063 people.**

In 2016/17, the PGT held 4 regular seminars and presented at several additional programs (see page 24 for details). These programs were attended by 1127 people.



**3. Objective:**

**To ensure that we maintain contact with our clients and service providers in the community, personal care homes, developmental centres, and mental health centres.**

Targets have been established for the minimum number of visits each Adult Services Administrator is to make to clients in the community, in personal care homes, developmental centres and mental health centres.

The target number is calculated based on the number of clients in a year and the number of different facilities and types of residences. The target will change each year. In determining the performance target, we took into account only the minimum number of visits that would be required to be made by each Adult Services Administrator in order to contact all clients rather than the total number of visits made. This ensures that performance for each Adult Services Administrator is measured.

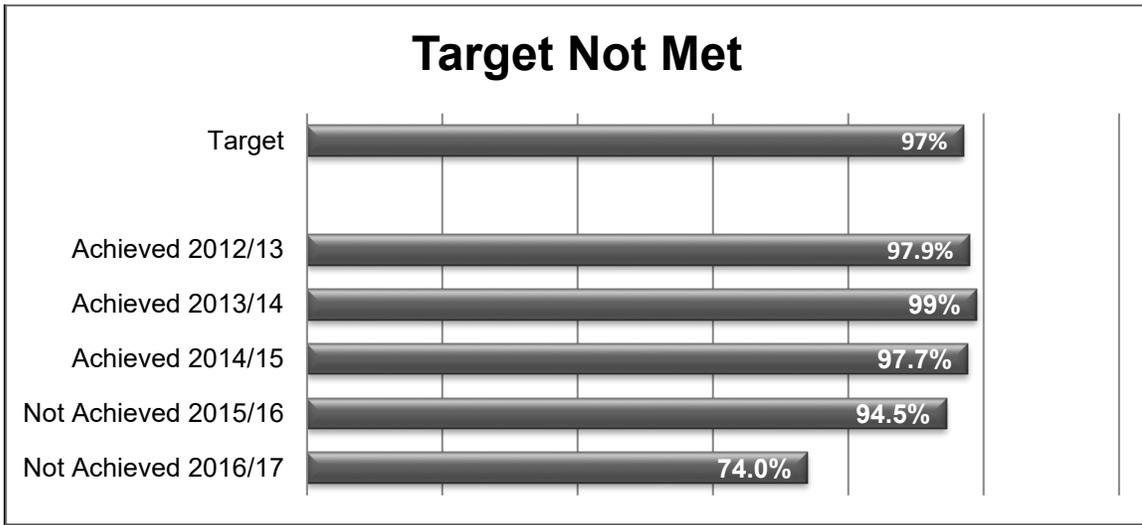
Failure to complete 100% of the target number of visits is a result of vacancies in Adult Services Administrator positions.

Year	Target	Actual	Percentage
2012/13	525	521	97.9%
2013/14	482	478	99.0%
2014/15	526	514	97.7%
2015/16	489	462	94.5%
2016/17	464	342	74.0%



**Performance Target:**

**Adult Services Administrators will complete at least 97% of the target number of visits to clients in each year.**



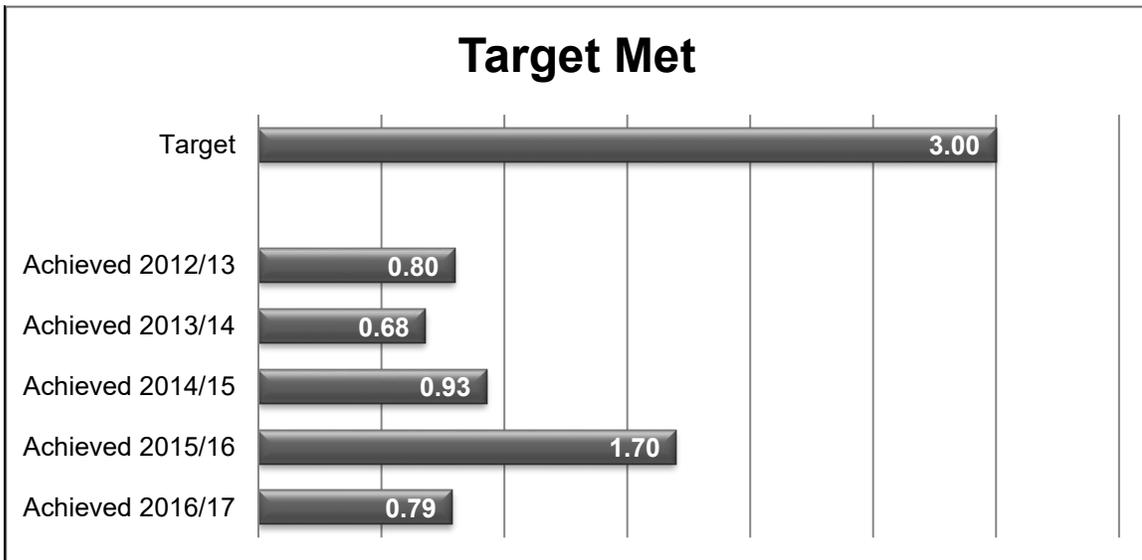
**4. Objective:**

**Adult clients will begin receiving management and protective services from The PGT in a timely manner after receipt by the PGT of authority to act.**

This information is important to ensure that files for adult clients are assigned in a timely manner after authorizing documentation is received. This ensures that clients receive the management and protective services that the PGT provides as soon as possible after the need is identified.

**Performance Target:**

**Client Administration files will be assigned to an Adult Services Administrator within an average of 3 days from receipt of authorizing documentation.**

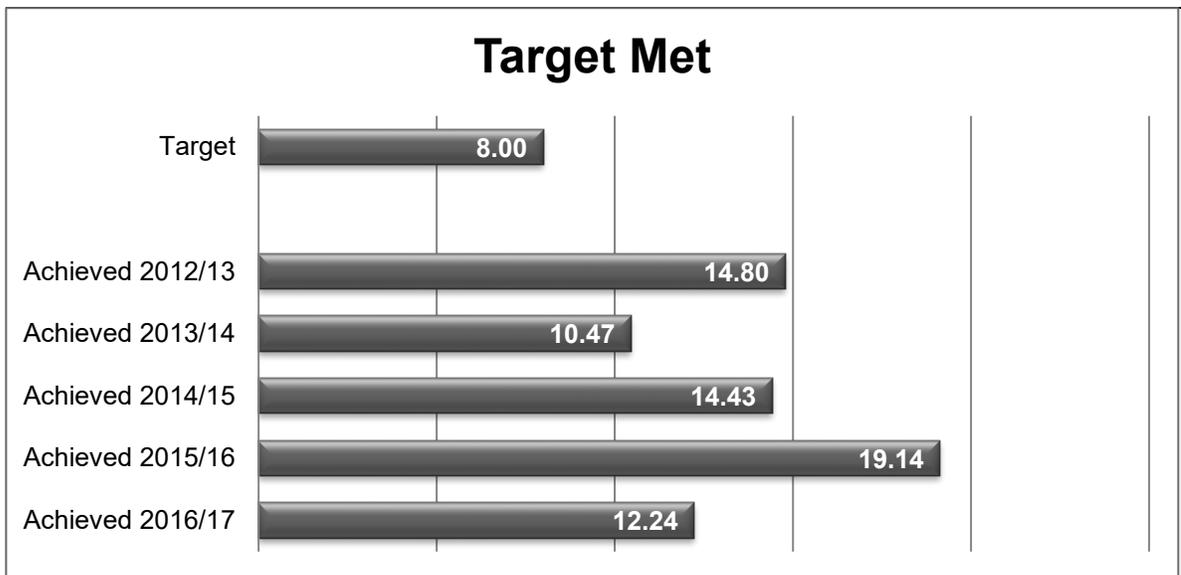


5. **Objective:**  
**Adult Services employees will receive ongoing training and education on relevant topics to ensure they are able to provide a high quality of service to clients.**

This is important to ensure employees are kept up-to-date with current information and trends related to their work.

Ongoing training also leads to enhanced service delivery, and assists with risk management.

**Performance Target:**  
**Adult Services employees will receive an average of at least 8 hours per employee of employment related training and education per year.**



## Estates and Trusts

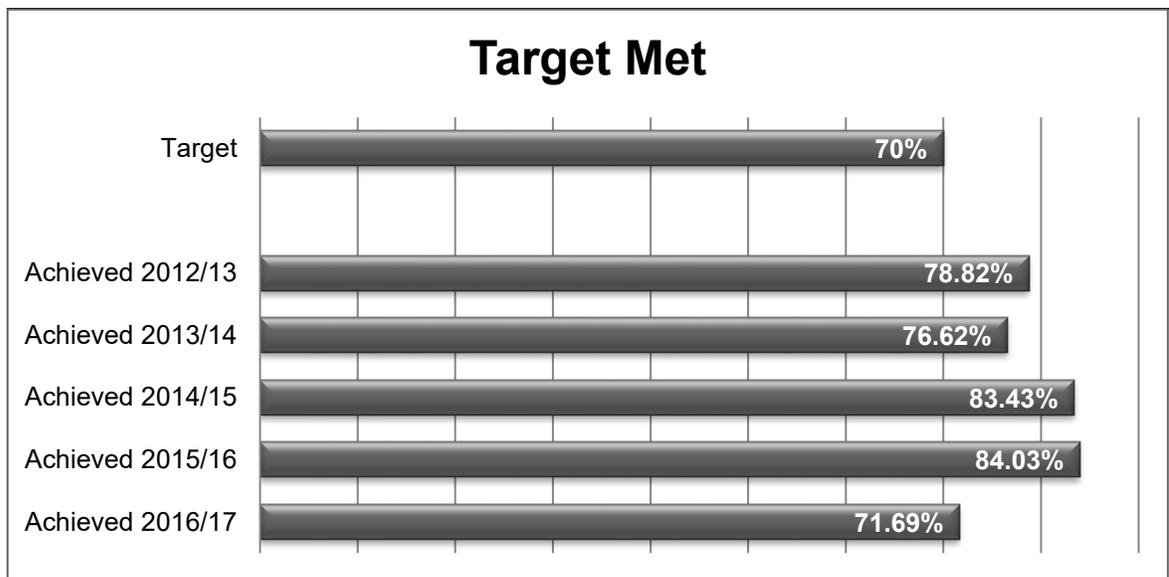
1. **Objective:**  
**Children's trusts will be paid out in a timely fashion upon children achieving the age of majority.**

The PGT seeks to pay out children's trusts as soon as possible after a child achieves age of majority.

**Performance Target:**

- a) **To payout 70% of children's trusts within 21 days of the child achieving the age of majority.**

The PGT paid out **166** children's trusts in 2016/17. The service level was met in **119** cases or **71.69%**.



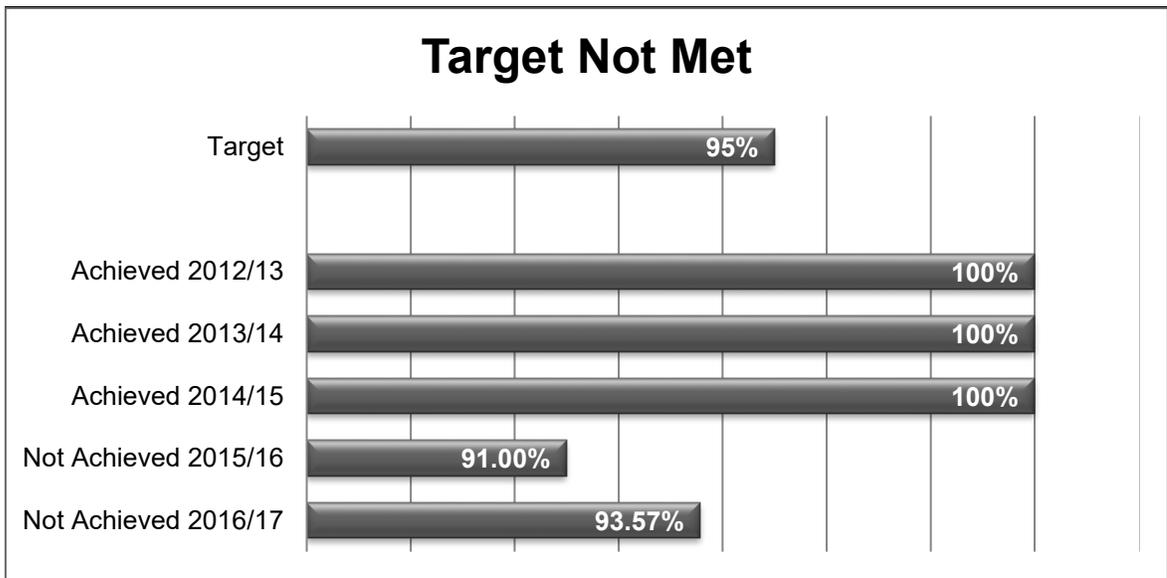
**Performance Target:**

- b) **To payout 95% of children's trusts within 5 business days of receiving all necessary documentation from third parties.**

In **93.57%** of cases, once the proper documentation was received, payout was made within 5 business days.

The PGT began to offer direct deposit services to individuals during fiscal 2014/2015. This has reduced the need for young adults to use costly cheque cashing companies, especially in communities where access to local financial institutions is limited or non-existent. *However, as the PGT has only one EFT transfer per week (on Friday), use of this process has increased the number of business days between receipt of documentation and payout, due to cut off deadlines.*



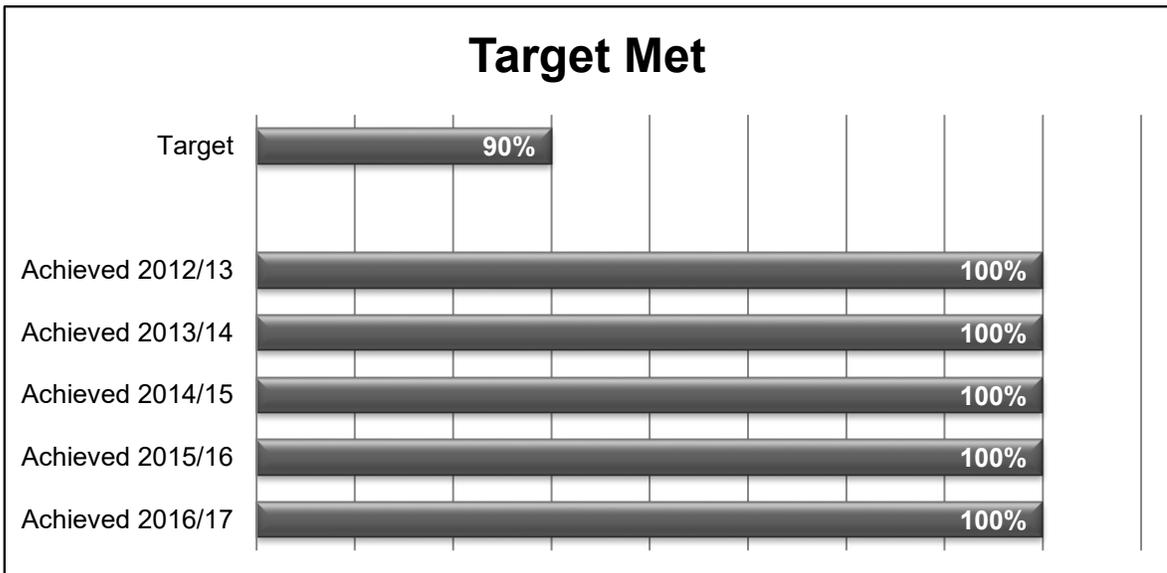


**2. Objective:**  
**Decisions regarding disbursements from children’s trusts will be made in a timely fashion.**

Decisions include decisions to approve or deny payment, or to request clarification or further information in support of the request for payment.

**Performance Target:**  
**That 90% of decisions regarding disbursements from trusts will be completed within 10 days of the guardian/client request.**

In 2016/17, **295** decisions were made. **100%** of decisions were made within 10 business days of the request.

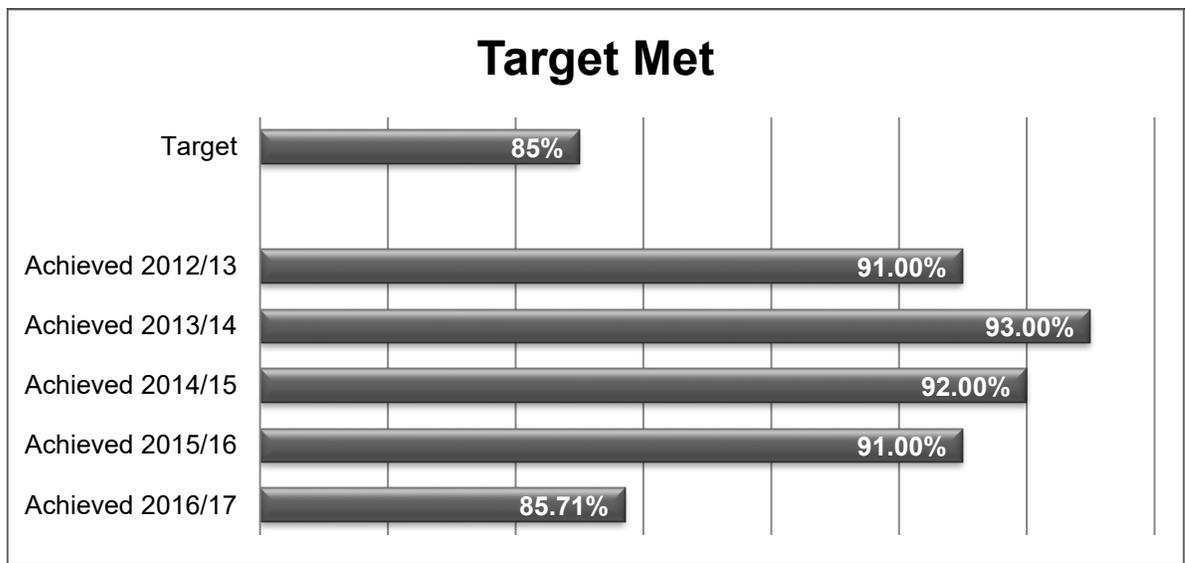


3. **Objective:**  
**Applications submitted to court to appoint the PGT as administrator of deceased estates will be complete and accurate.**

The PGT commences its administration of a deceased estate after receipt of the court grant. Applications for the court grant must be complete and accurate to ensure that the administration can commence in a timely fashion.

**Performance Target:**  
**That 85% of the PGT's applications for deceased estate administration are accepted by the court on initial submission.**

In 2016/17, **91** applications were submitted to court. Of these, **85.71%** or **78** applications were accepted on initial submission.



4. **Objective:**  
**To pay out deceased estates in a timely manner, upon receipt of properly executed releases from all heirs or beneficiaries.**

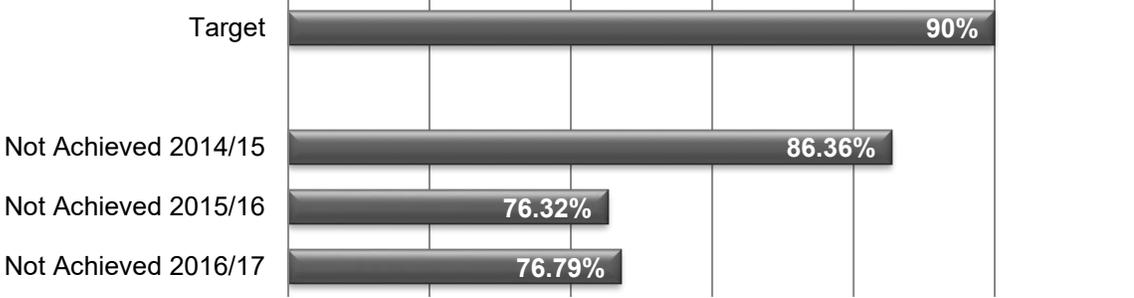
**Performance Target:**  
**Deceased estates will be paid out within 15 days of receipt of all signed releases from heirs or beneficiaries.**

In 2016/2017, the PGT paid out **43** estates within 15 days of receiving properly executed releases from all heirs and beneficiaries, or in **76.79%** of cases.

Delays in payouts occurred during in 2016/17 due to staff vacancies of Estates and Trusts Officers, Trust Administrator, and an Administrative Assistant.



# Target Not Met



## Financial Administration

### 1. Objective:

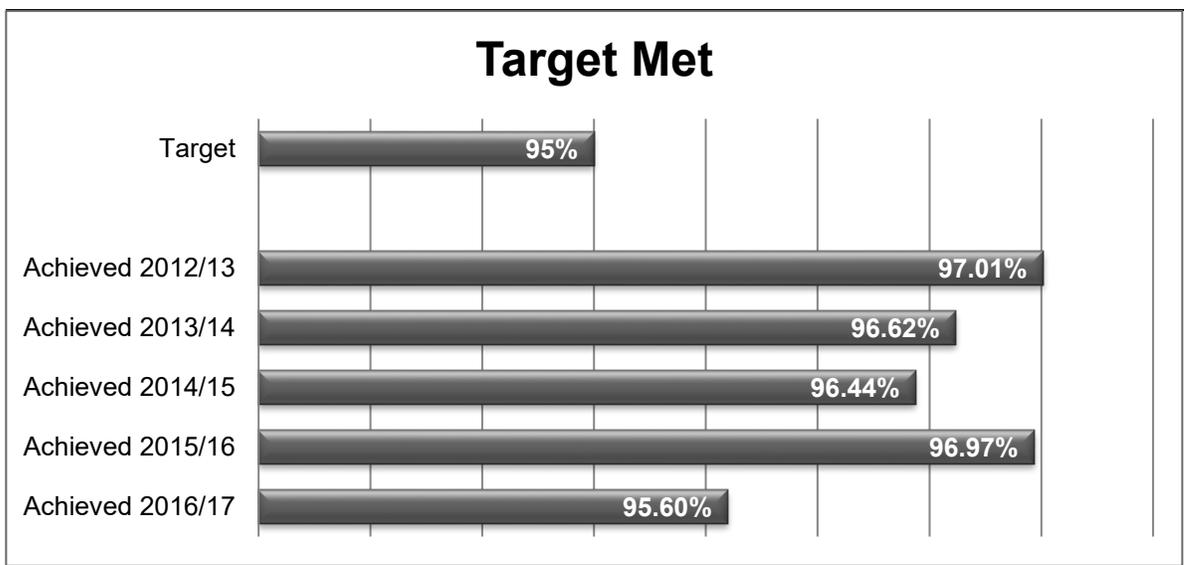
**The PGT will process authorized payments from clients, estates, and trusts in an efficient manner.**

Efficient turnaround of disbursement requests allows obligations of clients, estates and trusts to be met in a timely fashion.

### Performance Target:

**That 95% of all requests will be met within a 5 day turnaround.**

The PGT processed **90,781** cheque requisitions during 2016/17. Of these, **86,790** or **95.60%** were processed within the 5-day turnaround target.



### 2. Objective:

**The PGT will process cheques and cash receipts received for clients, estates and trusts in an efficient manner.**

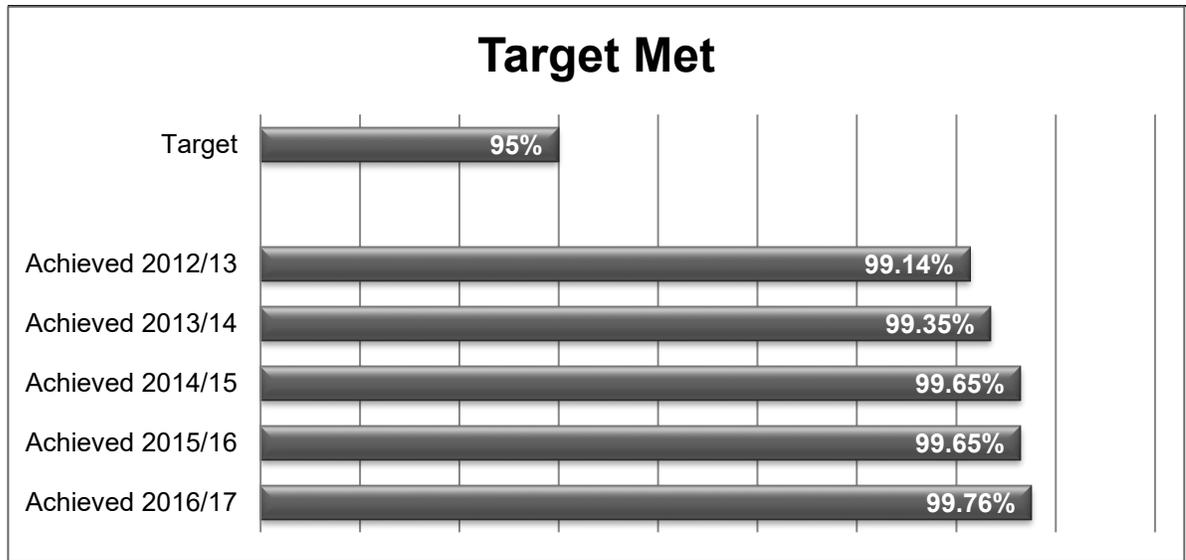
Efficient turnaround of receipts is critical to clients, estates, and trusts as posting affects the ability to meet financial expectations for the individual accounts and interest allocation.



**Performance Target:**

**That 95% of all receipts will be processed in a 2 day turnaround.**

The PGT processed **9,115** receipts during 2016/17. Of those receipts, **9,094** or **99.76%** were processed in a 2-day turnaround.



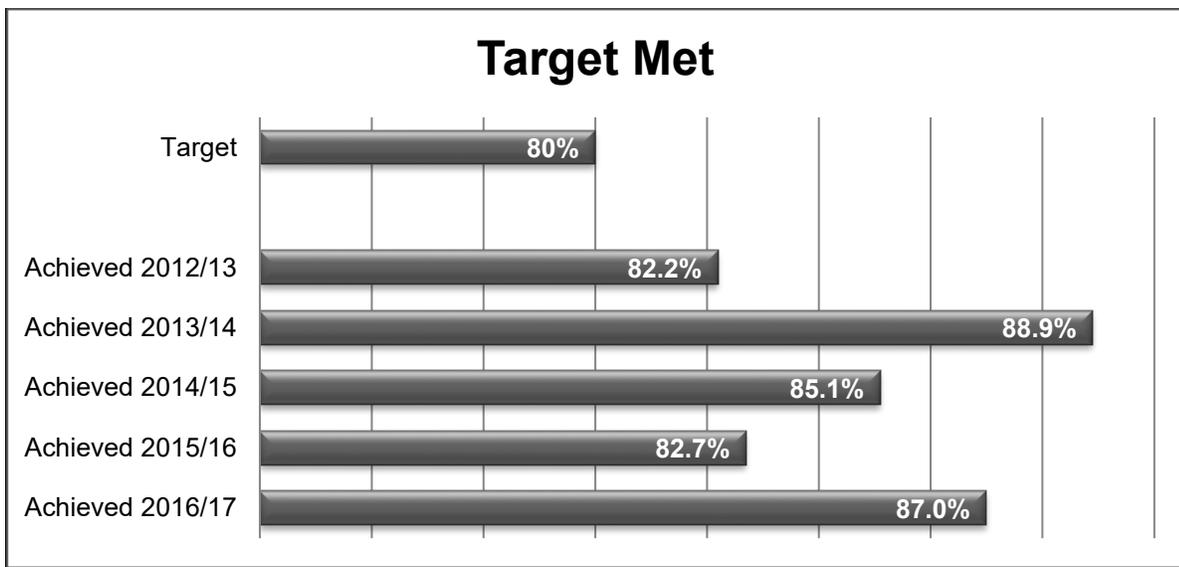
## Investigation Services

- Objective:**  
**Clients' and estates' assets will be inventoried and secured in a timely fashion.**

### Performance Target:

**To complete 80% of Winnipeg search and inventories within 7 days of assignment.**

During 2016/17, **158** search and inventory procedures were completed in Winnipeg. Of those, **138** or **87%** were completed within 7 days.



# Internal Audit Report

## 1. File Reviews

Client files are typically reviewed within 6 months of file opening. During the year 439 client files were opened and 102 files were reviewed.

The reviews have the following functions:

- to assess compliance with procedures and statutory responsibilities;
- to identify and mitigate financial risks;
- to assess adequacy of internal controls;
- to identify need for policy and procedure development or training enhancement.

Internal Audit file review findings are reported to the Deputy Public Guardian and Trustee - Adult Services and to the Supervisor - Adult Services. Adult Services management may accept recommendations, and then monitor implementation.

## 2. Operational Audits

### Real Estate

An audit of clients' real estate was performed. The objective of the audit was to ensure that clients' real property is properly insured.

The Audit findings were reported to the Public Guardian and Trustee management.

## 3. Ongoing Review of Policies and Procedures

Internal Audit made recommendations for policy, procedure and process enhancements with the purpose of reflecting current practices, reducing risks and improving efficiency.

## 4. Business Continuity Planning

During the year Internal Audit was involved in the exercising and updating of Business Continuity Plans (BCP). The Senior Auditor is the Business Continuity Lead for the Agency and as such led the efforts to complete an exercise of the plan and to update the plan.



## 5. System Replacement Project

The Agency has developed a multi-phase plan to replace aging technologies and increase efficiencies. The main components of the plan are to implement a Document Management System and to replace the trust accounting system hosted on an IBM mainframe. During the year work was started to prepare for acquiring a document management system. A Project Team was established in the Agency. The team started working on the planning phase for the Document Management System in January 2016. On completion of the planning phase, a scoping phase was started. The scoping phase was still in progress at year end.

The team also reviewed proposals from vendors for the re-hosting of the mainframe applications and databases. A decision on the re-hosting of the mainframe applications and databases is pending.

It is anticipated that the system replacement project will be a long-term project taking 5 or more years to complete.

## 6. Lean Management

The Agency hosted a Green Belt Kaizen event during the year with 13 students from government and private industry attending. Lean Management is an integral part of the System Replacement Project. The event was hosted as a learning opportunity for the project team and Agency staff.

**Note:** *Audit file reviews and operational audits were reduced during the year due to a vacancy in Internal Audit and because the Senior Internal Auditor has been acting as Project Manager and Business Analyst for the System Replacement Project*



# Summary of Financial Results

(\$000's)

	Actual March 2016	Actual March 2017	Budget 2017	Budget Variance
<b>Total Revenue</b>	<b>7,063</b>	<b>7,143</b>	<b>7,081</b>	<b>0.88%</b>
<b>Salaries &amp; Benefits</b>	<b>5,113</b>	<b>4,871</b>	<b>5,098</b>	<b>4.45%</b>
<b>Employee Pension Costs</b>	<b>345</b>	<b>384</b>	<b>330</b>	<b>-16.36%</b>
<b>Accommodation Costs</b>	<b>438</b>	<b>403</b>	<b>411</b>	<b>1.95%</b>
<b>Other Administration Costs</b>	<b>1,137</b>	<b>1,072</b>	<b>1,217</b>	<b>11.91%</b>
<b>Amortization: Capital Assets</b>	<b>21</b>	<b>25</b>	<b>25</b>	<b>0.00%</b>
<b>Total Expenses</b>	<b>7,054</b>	<b>6,755</b>	<b>7,081</b>	<b>4.60%</b>
<b>NET INCOME (Loss)</b>	<b>9</b>	<b>388</b>	<b>0</b>	

## Variance Analysis (Actual to Budget)

**Fees:** Due to movements in the client base, both in numbers and in financial resources, the PGT cannot predict fees with certainty.

**Salaries & Benefits:** Are under due to vacant positions.

**Other Administrative Costs:** Are better than budget due to lower system replacement consulting fees.





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# FINANCIAL STATEMENTS



**The Public Guardian and Trustee of Manitoba  
An Agency of the Province of Manitoba**

**Financial Statements  
March 31, 2017**

## MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with Canadian Public Sector Accounting Standards. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to September 8, 2017. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Guardian and Trustee of Manitoba – An Agency of the Province of Manitoba are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with Canadian Public Sector Accounting Standards. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Guardian and Trustee have reviewed and approved these financial statements and the Annual Report in advance of its release and have approved its content and authorized its release.

original signed by

Douglas R. Brown  
Public Guardian and Trustee



## INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba,  
To the Public Guardian and Trustee of Manitoba, and  
To the Special Operating Agencies Financing Authority

We have audited the accompanying financial statements of The Public Guardian and Trustee of Manitoba which comprise the statement of financial position as at March 31, 2017, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **The Public Guardian and Trustee's Responsibility for the Financial Statements**

The Public Guardian and Trustee 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 the Public Guardian and Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Public Guardian and Trustee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Public Guardian and Trustee of Manitoba as at March 31, 2017, and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

original signed by

Office of the Auditor General  
September 8, 2017  
Winnipeg, Manitoba



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
Statement of Financial Position  
As at March 31, 2017  
(In Thousands)

	<u>March 31,</u> <u>2017</u>	<u>March 31,</u> <u>2016</u>
Financial assets		
Cash and cash equivalents (Note 5)	\$ 4,966	\$ 5,257
Portfolio investments (Note 10)	515	515
Accounts receivable (Note 6)	<u>1,199</u>	<u>1,002</u>
	<u>6,680</u>	<u>6,774</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	569	1,073
Employee future benefits (Note 8)	<u>682</u>	<u>657</u>
	<u>1,251</u>	<u>1,730</u>
Net financial assets	<u>5,429</u>	<u>5,044</u>
Non-financial assets		
Prepaid expenses	7	5
Tangible capital assets (Note 9)	<u>61</u>	<u>60</u>
	<u>68</u>	<u>65</u>
Accumulated surplus	<u>\$ 5,497</u>	<u>\$ 5,109</u>

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



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
Statement of Operations and Accumulated Surplus  
For the Year Ended March 31, 2017  
(In Thousands)

	<u>2017</u> <u>Budget</u> (Note 18)	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
<b>Revenue</b>			
Fees and other revenue (Note 12)	\$ 7,030	\$ 7,086	\$ 6,996
Investment income	<u>51</u>	<u>57</u>	<u>67</u>
Total revenue	<u>7,081</u>	<u>7,143</u>	<u>7,063</u>
<b>Expenses</b>			
Amortization of tangible capital assets (Note 9)	25	25	21
Accommodation costs (Note 11)	411	403	438
Other administration expenses (Note 13)	1,217	1,072	1,137
Salaries and benefits	5,098	4,871	5,113
Pension benefits (Note 14)	<u>330</u>	<u>384</u>	<u>345</u>
Total expenses	<u>7,081</u>	<u>6,755</u>	<u>7,054</u>
Annual surplus	0	388	9
Accumulated surplus, beginning of year	5,109	5,109	5,100
Accumulated surplus, end of period year	<u>\$ 5,109</u>	<u>\$ 5,497</u>	<u>\$ 5,109</u>

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



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
Statement of Cash Flows  
For the Year Ended March 31, 2017  
(In Thousands)

	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Cash provided by (applied to)		
Operating		
Annual surplus	\$ 388	\$ 9
Amortization of tangible capital assets	<u>25</u>	<u>21</u>
	413	30
Changes in non-cash working capital balances:		
Accounts receivable	(197)	45
Accounts payable and accrued liabilities	(504)	246
Employee future benefits	25	(46)
Prepaid expenses	<u>(2)</u>	<u>2</u>
Cash provided by operating activities	<u>(265)</u>	<u>277</u>
Capital		
Acquisition of tangible capital assets	<u>(26)</u>	<u>(18)</u>
Cash applied to capital activities	<u>(26)</u>	<u>(18)</u>
Net increase (decrease) in cash	(291)	259
Cash and cash equivalents		
Beginning of year	<u>5,257</u>	<u>4,998</u>
End of year	<u>\$ 4,966</u>	<u>\$ 5,257</u>
Supplemental cash flow information		
Interest received	\$ <u>58</u>	\$ <u>67</u>

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



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
Statement of Changes in Net Financial Assets  
For the Year Ended March 31, 2017  
(In Thousands)

	<u>2017</u> <u>Budget</u> (Note18)	<u>2017</u> <u>Actual</u>	<u>2016</u> <u>Actual</u>
Annual Surplus	\$ _____	\$ <u>388</u>	\$ <u>9</u>
Tangible capital assets			
Acquisition of tangible capital assets	(15)	(26)	(18)
Amortization of tangible capital assets	<u>25</u>	<u>25</u>	<u>21</u>
Net change in tangible capital assets	<u>10</u>	<u>(1)</u>	<u>3</u>
Other non-financial assets			
Decrease (increase) in prepaid expenses	_____	<u>(2)</u>	<u>2</u>
Net change in other non-financial assets	_____	<u>(2)</u>	<u>2</u>
Net increase in net financial assets	10	385	14
Net financial assets, beginning of year	<u>5,044</u>	<u>5,044</u>	<u>5,030</u>
Net financial assets, end of year	<u>\$ 5,054</u>	<u>\$ 5,429</u>	<u>\$ 5,044</u>

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



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

**1. Nature of organization**

The Public Guardian and Trustee of Manitoba – An Agency of the Special Operating Agencies Financing Authority – Province of Manitoba (the “Agency”) protects the interests of Manitobans by providing trust, legal, financial and personal services on a last resort basis to people who are mentally incompetent, under the age of majority, or whose estates would otherwise be unadministered upon their death.

Effective April 1, 1996, the Agency was designated as a Special Operating Agency pursuant to The Special Operating Agencies Financing Authority Act, Cap. s185, C.C.S.M. and operates under a charter approved by the Lieutenant Governor in Council. Effective April 1, 2014 The Public Guardian and Trustee’s name was changed from The Public Trustee upon the enactment of legislation which updated and clarified the statutory roles of the office.

The Agency is financed through the Special Operating Agencies Financing Authority (“SOAFA”). SOAFA has the mandate to hold and acquire assets required for and resulting from the Agency’s operations. It finances the Agency through repayable loans and working capital advances. The financial framework provides increased management authority which, coupled with more rigorous planning and reporting requirements afforded by Special Operating Agency status, assists the Agency to sustain the provision of high quality service to its clients.

A Management Agreement between SOAFA and the Minister of Justice assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency continues to be part of Manitoba Justice. The Agency is a corporation sole with perpetual succession. As a corporate entity, the Agency functions separately from government and is capable of suing or being sued on behalf of the clients, trusts and estates which are administered by the Agency.

The Agency remains bound by relevant legislation and regulations. The Agency is also bound by administrative policy except where specific exemptions have been provided for in The Agency charter in order to meet business objectives.

**2. Basis of accounting**

The financial statements are prepared in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board.



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

**3. Significant accounting policies**

a) Revenue recognition

- i. Administration fees are charged quarterly as earned to client accounts based on the anniversary date of the account in accordance with the provisions of *The Public Guardian and Trustee Act*. Fees revenue recognized during the year consists of all fees charged.
- ii. Other fees are recognized and charged to an account as services are provided.
- iii. Statutory legal fees as prescribed in *The Public Guardian and Trustee Act* are recognized as revenue when received.

b) Tangible capital assets

Tangible capital assets are recorded at cost and are amortized annually at the following rates and methods:

Furnishings and equipment	20%, declining balance basis
Computer hardware and software Document management	20%, straight-line basis, 10% in the year of acquisition, software purchases less than \$1 are expensed in year of acquisition
Leasehold improvements	20%, straight-line basis

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

c) Measurement uncertainty

In preparing the Agency's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Significant estimates used in the financial statements include allowance for doubtful accounts, amortization of tangible capital assets, and accrued severance benefits costs.



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

d) Capital disclosures

The Agency's capital consists of the accumulated surplus from operations.

The Agency's capital management policy is to maintain sufficient capital to meet its objectives through its accumulated surplus. The Agency has developed risk management strategies, as described in Note 4, to preserve the accumulated surplus. There were no changes in the Agency's approach to capital management during the period.

The Agency is not subject to externally imposed capital requirements.

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand; demand deposits and short-term highly liquid investments that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value. These short-term investments generally have a maturity of three months or less at the date of acquisition and are held for the purpose of meeting short-term cash commitments rather than for investing.

f) Prepaid expenses

Prepaid expenses include insurance and deposits and are charged over the periods expected to benefit from it.

g) Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

**4. Financial instruments and financial risk management**

**Measurement**

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

Financial instruments including cash and cash equivalents, portfolio investments, accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at amortized cost. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations and accumulated surplus in the period the gain or loss occurs. As at March 31, 2017, the Agency does not have any financial instruments measured at fair value. In the event financial instruments are measured at fair value gains and losses would be recorded in accumulated surplus as re-measurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative re-measurement gains and losses are reclassified to the statement of operations and accumulated surplus.



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

The Agency did not incur any re-measurement gains and losses during the year ended March 31, 2017 (2016 - \$nil).

The Agency has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk which includes interest risk, and foreign currency risk.

**Credit risk**

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Agency to credit risk consist principally of cash and cash equivalents, portfolio investments and accounts receivable.

The maximum exposure of the Agency to credit risk is as follows:

	<u>2017</u>	<u>2016</u>
Cash and cash equivalents	\$4,966	\$5,257
Portfolio investments	515	515
Accounts receivable	<u>1,199</u>	<u>1,002</u>
	<u>\$6,680</u>	<u>\$6,774</u>

Cash and cash equivalents and portfolio investments: The Agency is not exposed to significant credit risk as the cash and cash equivalents and portfolio investments are primarily held by the Minister of Finance.

Accounts receivable: The Agency is not exposed to significant credit risk as the receivable is composed of fees due from clients and payment in full is typically collected when it is due. The Agency establishes an allowance for doubtful accounts that represents its estimate of potential credit losses.

The aging of fees receivable and allowance for doubtful accounts on the accrued administration fees as at March 31, 2017 was as follows:

	Net	Allowance
Current (note 6)	\$1,251	\$ 80
30-60 days past the billing date	-	-
61-90 days past the billing date	-	-
More than 90 days past the billing date	-	-
	<u>\$1,251</u>	<u>\$ 80</u>



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

**Liquidity risk**

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they come due.

The Agency manages liquidity risk by maintaining adequate cash balances. The Agency prepares and monitors detailed forecasts of cash flows from operations and anticipated investing and financing activities. The Agency continuously monitors and reviews both actual and forecasted cash flows through periodic financial reporting. The Agency's accounts payable and accrued liabilities mature within 12 months.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Agency's income or the fair values of its financial instruments. The significant market risk that the Agency is exposed to is interest rate risk.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and cash equivalents and portfolio investments.

The interest rate risk on cash and cash equivalents and portfolio investments is considered to be low because of their short-term nature and because amounts are re-invested annually.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Agency is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currencies.

**5. Cash and cash equivalents**

	<u>2017</u>	<u>2016</u>
Cash	\$ 3,241	\$ 3,832
Demand deposits	<u>1,725</u>	<u>1,425</u>
	<u>\$ 4,966</u>	<u>\$ 5,257</u>



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**  
 March 31, 2017  
 (In Thousands)

**6. Accounts receivable**

	<u>2017</u>	<u>2016</u>
Fees receivable	\$ 1,251	\$ 1,012
Allowance for doubtful accounts	<u>(80)</u>	<u>(42)</u>
	1,171	970
Interest receivable	15	16
Advances to clients	7	10
Cost recoveries	<u>6</u>	<u>6</u>
	<u>\$ 1,199</u>	<u>\$ 1,002</u>

**7. Accounts payable and accrued liabilities**

	<u>2017</u>	<u>2016</u>
Operating expenses payable	\$ 134	\$ 285
Salaries and benefits payable	0	339
Vacation entitlements earned	402	416
GST payable to Canada Revenue Agency	<u>33</u>	<u>33</u>
	<u>\$ 569</u>	<u>\$ 1,073</u>

**8. Employee future benefits**

	<u>2017</u>	<u>2016</u>
Severance benefits	\$ 587	\$ 562
Sick pay benefits	<u>95</u>	<u>95</u>
	<u>\$ 682</u>	<u>\$ 657</u>

**Severance benefits**

Effective April 1, 1998, the Agency began recording accumulated severance pay benefits for its employees. The amount of severance pay obligations is based on actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations when actual experience is different from that expected and/or because of changes in actuarial assumptions used. The resulting actuarial gains or losses are amortized over the expected average remaining service life of the related employee group.

An actuarial report was completed for the severance pay liability as of March 31, 2014. The report provides a formula to update the liability on an annual basis.



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

The Agency's actuarially determined net liability for accounting purposes as at March 31, 2017 was \$690 (2016 - \$679). The actuarial loss of \$210 based on actuarial reports is being amortized over the 15 year expected average remaining service life ("EARSL") of the employee group. Benefits paid during the year were \$59 (2016 - \$126).

The severance benefit liability at March 31 includes the following components:

	<u>2017</u>	<u>2016</u>
Balance beginning of year	\$ 679	\$ 734
Benefits accrued	29	27
Interest on accrued benefits	41	44
Severance paid	<u>(59)</u>	<u>(126)</u>
Accrued benefit liability	690	679
Less: unamortized actuarial losses	(103)	(117)
Severance benefit liability	<u>\$ 587</u>	<u>\$ 562</u>

The total expense related to severance benefits at March 31 includes the following components:

	<u>2017</u>	<u>2016</u>
Interest on obligation	\$ 41	\$ 44
Employer service cost	29	27
Amortization of actuarial loss over EARSL	<u>14</u>	<u>14</u>
Total expense related to severance benefits	<u>\$ 84</u>	<u>\$ 85</u>

Significant long-term actuarial assumptions used in the March 31, 2014 valuation, and in the determination of the March 31, 2017 present value of the accrued severance benefit obligation were:

	2017	2011
Annual rate of return		
Inflation component	2.00%	2.00%
Real rate of return	<u>4.00%</u>	<u>4.00%</u>
	<u>6.00%</u>	<u>6.00%</u>
Assumed salary increase rates		
Annual productivity increase	1.00%	1.00%
Annual general salary increase	<u>2.75%</u>	<u>2.75%</u>
	<u>3.75%</u>	<u>3.75%</u>



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**  
March 31, 2017  
(In Thousands)

**Sick pay benefits**

Agency provides its employees with sick leave benefits that accumulate but do not vest. The liability for accumulating, non-vesting sick pay benefits is based upon a review of past experience to extrapolate a liability based upon expected future utilization of currently accumulated benefit. The Agency is presenting the sick pay benefit liability at the 2017 value \$95.

**9. Tangible capital assets**

	<b>2017</b>			<b>Closing Balance</b>
	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	
<b>Cost</b>				
Furnishings and equipment	\$ 343	\$ -	\$ -	\$ 343
Computer hardware and software	123	-	-	123
Document management		17	-	17
Leasehold improvements	94	9	-	103
<b>Total cost</b>	<b>\$ 560</b>	<b>\$ 26</b>	<b>\$ -</b>	<b>\$ 586</b>
<b>Accumulated amortization</b>				
Furnishings and equipment	\$ 309	\$ 7	\$ -	\$ 316
Computer hardware and software	121	1	-	122
Document management		3	-	3
Leasehold improvements	70	14	-	84
<b>Total accumulated amortization</b>	<b>\$ 500</b>	<b>\$ 25</b>	<b>\$ -</b>	<b>\$ 525</b>
<b>Net book value</b>	<b>\$ 60</b>	<b>\$ 1</b>	<b>\$ -</b>	<b>\$ 61</b>

	<b>2016</b>			<b>Closing Balance</b>
	<b>Opening Balance</b>	<b>Additions</b>	<b>Disposals</b>	
<b>Cost</b>				
Furnishings and equipment	\$ 327	\$ 16	\$ -	\$ 343
Computer hardware and software	121	2	-	123
Leasehold improvements	94	-	-	94
<b>Total cost</b>	<b>\$ 542</b>	<b>\$ 18</b>	<b>\$ -</b>	<b>\$ 560</b>
<b>Accumulated amortization</b>				
Furnishings and equipment	\$ 300	\$ 9	\$ -	\$ 309
Computer hardware and software	120	1	-	121
Leasehold improvements	59	11	-	70
<b>Total accumulated amortization</b>	<b>\$ 479</b>	<b>\$ 21</b>	<b>\$ -</b>	<b>\$ 500</b>
<b>Net book value</b>	<b>\$ 63</b>	<b>\$ (3)</b>	<b>\$ -</b>	<b>\$ 60</b>



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

**10. Designated portfolio investments**

Portfolio investments consist of designated assets and non-redeemable investments and guaranteed investment certificates. The Agency has allocated \$515 (2016 - \$515) of its portfolio investments as designated assets for cash received from the Province of Manitoba as settlement for the severance pay benefits accumulated to March 31, 1998 for certain of its employees. This amount is held in an interest bearing account. Any unused balance is re-invested annually. Funds are to be used for payments to employees for their outstanding severance pay amounts. Interest during the year amounted to \$3 (2016 - \$5)

**11. Commitments**

The Agency has an arrangement with the Province of Manitoba, through the Department of Infrastructure and Transportation, for rental of its facilities at 155 Carlton Street in Winnipeg and its facility in the Provincial Building in Brandon. Accommodation costs are estimated to be \$438 for the year ended March 31, 2018.

**12. Fees and other revenue**

	<u>2017</u>	<u>2016</u>
Administration	\$ 6,141	\$ 5,987
Legal fees	373	404
Income taxes	279	317
Inspection	<u>293</u>	<u>288</u>
	<u>\$ 7,086</u>	<u>\$ 6,996</u>



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**  
 March 31, 2017  
 (In Thousands)

**13. Other administration expenses**

	<u>2017</u>	<u>2016</u>
Computer expenses	\$ 631	\$ 599
Courier charges	9	8
Insurance, loss, damage	31	21
Office supplies	79	80
Other	5	2
Personnel expenses	27	26
Photocopies	2	0
Postage	73	81
Professional fees	41	156
Publications	2	2
Public communications	11	8
Records Centre charges	34	29
Rentals, equipment	1	3
Repairs and maintenance	8	8
Support services - Department of Justice	21	21
Telephone	52	52
Travel	<u>45</u>	<u>41</u>
	<u>\$ 1,072</u>	<u>\$ 1,137</u>

**14. Pension benefits**

Employees of the Agency are eligible for pension benefits in accordance with the provisions of the Civil Service Superannuation Act ("CSSA"), administered by the Civil Service Superannuation Board. The CSSA established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government, including the Agency, through the Civil Service Superannuation Fund.

Effective March 31, 2001, pursuant to an agreement with the Province of Manitoba, the Agency transferred to the Province the pension liability for its employees. Commencing April 1, 2001, the Agency was required to pay to the Province an amount equal to its employees' current pension contributions. The amount paid at March 31 was \$384 (2016 - \$345). Under this agreement, the Agency has no further pension liability. As at December 31, 2016 the Civil Service Superannuation Fund had a deficit of \$4.3 billion.



**PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA**  
**An Agency of the Province of Manitoba**  
**Notes to Financial Statements**

March 31, 2017

(In Thousands)

**15. Related party transactions**

The Agency is related in terms of common ownership to all Province of Manitoba created departments, agencies and Crown corporations. The Agency enters into transactions with these entities in the normal course of business. The transactions are recorded at the exchange amount.

**16. Escheats to the Crown**

Escheats to the Crown relate to estates of deceased persons with no heirs. These estates are sent by the Public Guardian and Trustee to the Department of Finance annually. Escheats to the Crown, received by the Agency during the year and remitted to the Minister of Finance, amounted to \$102 (2016 - \$37). These amounts are not reflected in these financial statements.

**17. Estates and trusts under administration**

The client assets under administration at March 31, 2017 totaled approximately \$260,000 (2016 - \$244,000). The trust activities of the Agency are reported in a separate Estates and Trusts under Administration financial statements.

**18. Budgeted figures**

Budgeted figures have been provided for comparison purposes and have been derived from the estimates approved by the Agency.

**19. Comparative Figures**

Certain comparative figures have been restated to conform with the current year's presentation.



**The Public Guardian and Trustee of Manitoba  
Estates and Trusts under Administration**

**Financial Statements  
March 31, 2017**

## MANAGEMENT REPORT

The accompanying financial statements are the responsibility of management and have been prepared in accordance with the accounting policies stated in the financial statements. In Management's opinion, the financial statements have been properly prepared within reasonable limits of materiality, incorporating management's best judgment regarding all necessary estimates and all other data available up to September 8, 2017. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

Management maintains internal controls to provide reasonable assurance that the financial information is reliable and accurate and that the assets of the Public Guardian and Trustee are properly safeguarded.

The responsibility of the Auditor General is to express an independent, professional opinion on whether the financial statements are fairly stated in accordance with the accounting policies stated in the financial statements. The Auditors' Report outlines the scope of the audit examination and provides the audit opinion.

The Public Guardian and Trustee has reviewed and approved these financial statements and the Annual Report in advance of its release and have approved its content and authorized its release.

original signed by

Douglas R. Brown  
Public Guardian and Trustee



## INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of Manitoba  
To the Public Guardian and Trustee of Manitoba

We have audited the accompanying financial statements of The Public Guardian and Trustee of Manitoba, Estates and Trusts under Administration, which comprise the balance sheet as at March 31, 2017, and the statement of cash receipts and disbursements for the year then ended, and a summary of significant accounting policies and other explanatory information. These financial statements have been prepared pursuant to Section 36(2) of *The Public Guardian and Trustee Act* and in accordance with the basis of accounting described in the notes to the financial statement.

### **The Public Guardian and Trustee's Responsibility for the Financial Statements**

The Public Guardian and Trustee is responsible for the preparation of these financial statements in accordance with the basis of accounting described in Note 2 to the financial statements, for determining that the described framework is acceptable in the circumstances and for such internal control as the Public Guardian and Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Public Guardian and Trustee, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements of The Public Guardian and Trustee of Manitoba, Estates and Trusts under Administration, for the year ended March 31, 2017, are prepared, in all material respects, in accordance with the basis of accounting described in Note 2 to the financial statements.





**Basis of Accounting and restriction on distribution and use**

Without modifying our opinion, we draw attention to Note 2 of the financial statements which describes the basis of accounting. The Public Guardian and Trustee has determined that a basis of accounting other than Canadian Generally Accepted Accounting Principals (GAAP) is appropriate for the requirements of Section 36(2) of *The Public Guardian and Trustee Act*. Because the statements were not prepared in accordance with GAAP, the financial statements may not be suitable for another purpose. Our report is intended solely for the Public Guardian and Trustee and Members of the Legislative Assembly and should not be used by other parties.

original signed by

Office of the Auditor General  
Winnipeg, Manitoba  
September 8, 2017



GOVERNMENT OF THE PROVINCE OF MANITOBA

The Public Guardian and Trustee of Manitoba  
Estates and Trusts under Administration

Balance Sheet  
as at March 31, 2017

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Cash on hand and in bank	\$ 19,880,546	\$ 10,071,469
Investments - Common Fund (Notes 2(a) and 3)	180,159,060	176,412,606
- Specific Estates and Trusts (Notes 2(b) and 4)	30,523,089	29,756,853
Accrued interest receivable on common fund investments (Note 2(a))	1,108,716	1,039,452
Real estate (Note 2(c))	27,957,955	26,564,725
Other assets at nominal value (Note 2(d))	<u>1</u>	<u>1</u>
	<u>\$259,629,367</u>	<u>\$243,845,106</u>
 <b>LIABILITIES</b>		
Other liabilities at nominal value (Note 2(f))	\$ 1	\$ 1
Mortgages Payable (Note 2(e))	1,960,305	978,175
Public Guardian and Trustee- Fees payable (Note 1)	201,003	119,662
- Expenditures payable (Note 5)	<u>25,929</u>	<u>23,026</u>
	<u>2,187,238</u>	<u>1,120,864</u>
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
<i>The Mental Health Act</i>	159,351,326	152,930,311
<i>The Public Guardian and Trustee Act</i>	<u>98,090,803</u>	<u>89,793,931</u>
	<u>\$259,629,367</u>	<u>\$243,845,106</u>



## GOVERNMENT OF THE PROVINCE OF MANITOBA

### The Public Guardian and Trustee of Manitoba Estates and Trusts under Administration

#### Statement of Cash Receipts and Disbursements for the year ended March 31, 2017

<b>RECEIPTS</b>	<b>2017</b>	<b>2016</b>
Funds held by estates and trusts brought under administration	\$ 18,492,383	\$ 17,188,672
Realization of equities in other estates	3,092,449	2,064,549
Pensions, compensation and assistance	38,433,128	36,682,679
Sickness, disability and other insurance benefits	9,728,203	7,182,765
Investment income	5,318,244	5,582,664
Sale of estate property	11,831,485	6,124,536
Collections on accounts receivable	<u>1,744,933</u>	<u>1,680,412</u>
Total receipts, before sale or redemption of securities	88,640,825	76,506,277
Sale and redemption of securities - Common Fund	16,000,000	28,000,000
Sale and redemption of securities - Specific Estates and Trusts	<u>5,287,341</u>	<u>3,303,973</u>
Total Receipts	<u>109,928,166</u>	<u>107,810,250</u>
<b>DISBURSEMENTS</b>		
Room, board and other maintenance expense	33,468,743	32,521,733
Preservation of estates	7,402,538	6,662,441
Other estate expense	2,220,156	1,851,628
Administration and passing of accounts (Note 1)	6,566,911	6,650,617
Estates and trusts released from administration	<u>29,442,755</u>	<u>32,416,636</u>
Total disbursements, before purchase of securities	<u>79,101,103</u>	<u>80,103,055</u>
Purchase of securities - Common Fund	20,391,480	27,062,915
Purchase of securities - Specific Estates and Trusts	<u>626,506</u>	<u>424,556</u>
Total Disbursements	<u>100,119,089</u>	<u>107,590,526</u>
Excess cash receipts (disbursements)	9,809,077	219,724
Cash position at start of year	<u>10,071,469</u>	<u>9,851,745</u>
Cash position at end of year	<u>\$ 19,880,546</u>	<u>\$ 10,071,469</u>



## GOVERNMENT OF THE PROVINCE OF MANITOBA

### The Public Guardian and Trustee of Manitoba Estates and Trusts under Administration

#### Notes to Financial Statements March 31, 2017

##### 1. Role and Objective

On April 1, 2014 *The Public Guardian and Trustee Act* was enacted. The legislation updated and clarified the statutory roles of the office. The Public Guardian and Trustee administer estates of mentally disabled persons, estates of deceased persons, and infant trusts. The Public Guardian and Trustee is considered to be an appointment of last resort. The Public Guardian and Trustee provides a public service, generally where there is no other competent or acceptable person available to provide the required service.

Under Section 28 of *The Public Guardian and Trustee Act*, the Public Guardian and Trustee may charge fees for the services provided to the estates and trusts under her administration. Fees are charged quarterly to each estate and trust based on its anniversary date. Those estates and trusts which do not have sufficient funds may have the fees reduced or waived.

Effective April 1, 1996, the Public Guardian and Trustee became a Special Operating Agency. The operations of the Public Guardian and Trustee are reflected in a separate Special Operating Agency financial statement.

##### 2. Significant Accounting Policies

###### Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below in detail, to comply with the accounting requirements prescribed by Section 36 (2) of *The Public Guardian and Trustee Act*. The basis of accounting used in these financial statements is determined and approved by the Public Guardian and Trustee and differs materially from Canadian generally accepted accounting principles because they are prepared essentially on a cash basis to reflect only the custodial activities of the Public Guardian and Trustee, with the exception of the following items as recorded on the balance sheet:

- i. interest is accrued on Common Fund investments;
- ii. investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security;
- iii. bonds, term deposits, guaranteed investment certificates and treasury bills assumed under administration are recorded at cost (note 2(a) or at par value (note 2(b));
- iv. certain shares (note 2(b)) are recorded at market value;
- v. fees and expenditures payable to the Public Guardian and Trustee are accrued; and
- vi. real estate holdings are recorded at the assessment value as stated on the last available property tax assessment from the relevant municipality. If property tax assessments are not available or assessment of beneficial ownership remains in progress with trust officers, the client real estate assets are recorded at a nominal value of \$1.
- vii. mortgages payable are recorded at the balance owing by the client estate as stated on the third party mortgage statement at the respective period end or using most recent mortgage statement with supporting payments or advances to the reporting period end date
- viii. other assets and liabilities are recorded at nominal value



## GOVERNMENT OF THE PROVINCE OF MANITOBA

### The Public Guardian and Trustee of Manitoba Estates and Trusts under Administration

#### Notes to Financial Statements March 31, 2017

##### Statement of Cash Receipts and Disbursements

The Statement of Cash Receipts and Disbursements reflects cash transactions which have occurred during the year for estates and trusts under administration.

##### Balance Sheet

The Balance Sheet reflects the financial position of estates and trusts under administration in accordance with the following significant accounting policies:

a) Investments - Common Fund

Investments of the Common Fund, established pursuant to Section 22 of *The Public Guardian and Trustee Act*, are restricted to investments authorized under *The Trustee Act*. Common fund investments are recorded at cost, adjusted for the amortization of premiums or discounts on purchase on a straight-line basis over the remaining term to maturity of the security. Interest is accrued on these investments. Earnings are distributed monthly to the individual estates and trusts on a pro rata basis on the daily closing balance in the client's account.

b) Investments - Specific Estates and Trusts

Investments held for specific estates and trusts are recorded at the following values:

Investments purchased by the Public Guardian and Trustee are recorded at cost.

Bonds, term deposits, investment certificates and treasury bills assumed under administration are recorded at par value.

Shares of capital stock and mutual funds assumed under administration are recorded at the market value. If market value is not available, shares of capital stock and mutual funds are recorded at a nominal value of \$1.

Registered Disability Savings Plan's (RDSPs) include both client and government contributions. Contributions made by or on behalf of clients whose assets are under administration are recorded at an amount that represents the cash contributions made and are included under Investments – Specific Estates and Trusts on the balance sheet. Government contributions to individual RDSPs are subject to potential repayment terms over a 10 year period and until such time as all conditions are met and full entitlement to the contributions vest with the client, which is anticipated to be the end of the 10 year period from the date the contribution is made, the amounts contributed by the government and related interest are recorded with Other Assets at an aggregate nominal amount of \$1.



## GOVERNMENT OF THE PROVINCE OF MANITOBA

### The Public Guardian and Trustee of Manitoba Estates and Trusts under Administration

#### Notes to Financial Statements March 31, 2017

At such time as all government conditions are met, the government portion contributed to individual RDSPs will be recorded under Investments – Specific Estates and Trusts at an amount representing cash contributions made plus accrued interest. As at March 31, 2017 and 2016 all government contributions have been recorded at a nominal amount of \$1 as vesting conditions have not been met.

c) Real estate

Real estate holdings for clients of the Public Guardian and Trustee are initially recorded at \$1. The real estate holding is adjusted to the assessment value as stated on the most recently received property tax assessment by the Public Guardian and Trustee.

d) Other Assets

Other assets which include bank accounts, accounts receivable, mortgages, notes receivable, real estate, RDSP (representing government contributions to individual estates under administration still subject to repayment terms) and other tangible assets are recorded in these financial statements at an aggregate nominal value of \$1 as valuation of these assets is not readily determinable or remain in progress with trust officers to assess beneficial ownership. These assets are recorded on the client accounts at estimated market value for administrative purposes

e) Mortgages Payable

Mortgages payable are recorded at the balance owing by the client estate as stated on the third party mortgage statement at the respective period end or using most recent mortgage statement with supporting payments or advances to the reporting period end date.

f) Other Liabilities

Other liabilities which include accounts payable and notes payable are recorded for these financial statements at an aggregate nominal value of \$1 as valuation of these liabilities is not readily determinable. These liabilities are recorded on the client accounts at estimated market value for administrative purposes.



## GOVERNMENT OF THE PROVINCE OF MANITOBA

### The Public Guardian and Trustee of Manitoba Estates and Trusts under Administration

#### Notes to Financial Statements March 31, 2017

#### 3. Investments - Common Fund

	<u>2017 Market Value</u>	<u>2017 Par Value</u>	<u>2017 Book Value</u>	<u>2016 Book Value</u>
Term deposits & investment certificates	\$ 7,000,000	\$ 7,000,000	\$ 7,000,000	\$ 10,000,000
Alberta Capital Finance	30,658,008	30,250,000	30,815,687	30,594,283
Province of B.C.	8,513,972	8,000,000	8,050,944	6,076,610
Province of Manitoba	29,283,764	28,500,000	28,843,126	27,886,193
Province of Quebec	25,319,617	24,000,000	24,375,707	24,579,890
Province of Ontario	26,513,639	26,000,000	26,096,015	29,210,918
Province of New Brunswick	7,245,868	7,000,000	7,040,516	7,081,709
Province of Newfoundland	2,977,946	3,000,000	2,888,663	2,875,045
Province of Nova Scotia	8,929,036	8,000,000	8,471,081	8,584,054
Canada Housing Trust	<u>36,971,052</u>	<u>36,500,000</u>	<u>36,577,321</u>	<u>29,523,903</u>
	<u>\$183,412,902</u>	<u>\$ 178,250,000</u>	<u>\$ 180,159,060</u>	<u>\$176,412,606</u>

#### 4. Investments - Specific Estates and Trusts

	<u>2017</u>	<u>2016</u>
Term deposits, investment certificates and treasury bills	\$ 15,929,840	\$ 16,548,419
Government of Canada and other bonds	1,342,495	1,630,272
Shares of capital stock and mutual funds	8,997,728	7,831,476
Registered Disability Savings Plan Funds	<u>4,253,026</u>	<u>3,746,686</u>
	<u>\$ 30,523,089</u>	<u>\$ 29,756,853</u>

#### 5. Expenditures Payable to the Public Guardian and Trustee

Expenditures payable to the Public Guardian and Trustee represent disbursements made on behalf of estates or trusts for which funds were not immediately available. These expenditures will be recovered from the estates or trusts concerned by the Public Guardian and Trustee in due course when funds become available. If funds do not become available, these expenditures are recovered from operating funds of the Public Guardian and Trustee.







