



**MINISTER OF
FINANCE**

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, 2021.

Regards,

A handwritten signature in black ink, appearing to read "S. Fielding".

Honourable Scott Fielding
Minister of Finance





Finance

Deputy Minister
Room 109, Legislative Building, Winnipeg, MB, R3C 0V8
www.gov.mb.ca

Honourable Scott Fielding
Minister of Finance
Room 103 Legislative Building
Winnipeg MB R3C 0V3

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, 2021.

The results of the 2020/21 fiscal year indicate that the SOA continues to be effective in meeting client needs, through the COVID-19 pandemic and public health order restrictions, 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.

Sincerely,

Richard Groen







Public Guardian and Trustee of Manitoba

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

Richard Groen
Deputy Minister of Finance
109 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, 2021.

Yours truly,

Nicole Hamilton
Public Guardian and Trustee

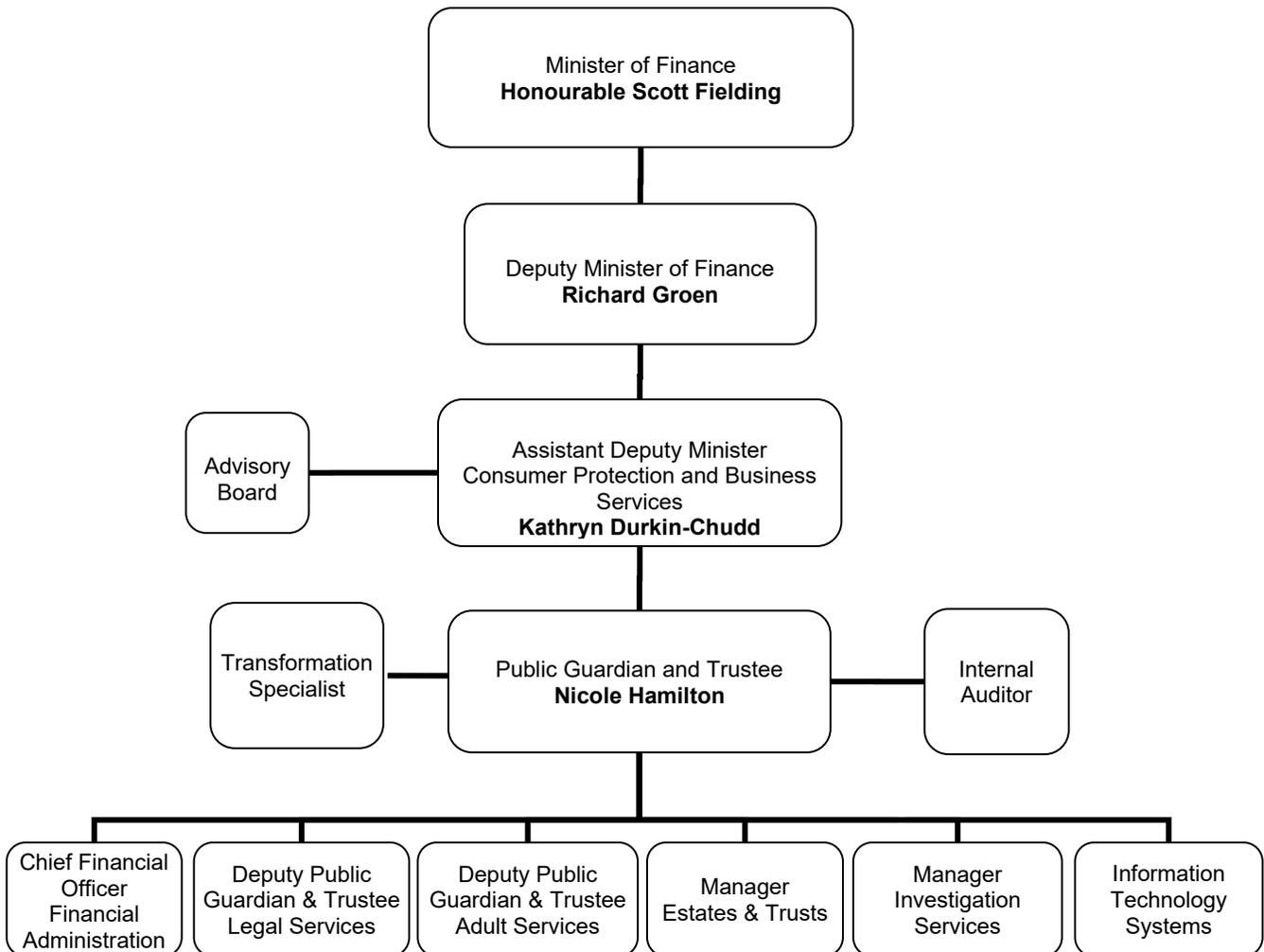




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Public Guardian and Trustee Organizational Chart March 31, 2021



A.

INTRODUCTION AND OVERVIEW



Message from the Public Guardian and Trustee

It is my privilege to present the Annual Report for the 2020-21 fiscal year of the Public Guardian and Trustee (PGT). In doing so, I want to acknowledge and thank Jana Taylor (now Deputy Public Guardian and Trustee of Legal Services) who acted as Public Guardian and Trustee for the first half of the fiscal year. I would also be remiss if I did not acknowledge and thank the other members of the PGT Leadership Team and all staff of the PGT whose hard work and diligence ensured the PGT's continued strong operation and ability to navigate various challenges from April 1, 2020 to March 31, 2021, many of which arose as a result of the COVID-19 pandemic.

The PGT provides services for vulnerable Manitobans in situations where no one else is available, able or willing to act for them. Our appointment does not preclude the client's involvement; whenever possible, we work alongside the client and their family members, being mindful of the unique life experience and needs of each client, to ensure to the extent possible that the client has access to as many opportunities and amenities that are in their best interest.

The PGT also administers deceased estates and trusts for minors and incompetent adults where there is no one else willing or able to do so. In administering deceased estates, we ensure that proper heirs are identified and estate assets distributed accordingly. In administering trusts, we make decisions that are in the best interest of the beneficiary, ever mindful of the purpose and lifetime of the trust.

The PGT's doors remained open throughout the COVID-19 pandemic. Regardless of working staggered shifts (to reduce personal contacts) for the first part of 2020-21 and then again from October 19, 2020 through to the end of the fiscal year (and beyond); regardless of the continually increasing client numbers and resulting demands over the years (and during the pandemic); and regardless of the increased complexities involved with client files over time, staff's commitment to serve our clients never wavered. Staff continued throughout 2021-21 (and continue today), to prioritize the needs of the PGT's vulnerable clients as well as the estates and trusts that we administer.

Being relatively new to the Office of the PGT (as of the end of September of 2020), I want to share what I am humbled to witness at work each day: PGT staff are compassionate and care deeply about our clients' well-being. They work diligently to ensure that our clients' best interests are served. They do so regardless of the challenges that they may encounter along the way (including the challenge of each client's situation being unique, based on that person's life experience and means) and they did so throughout 2020-21 regardless of the pandemic. It is an honour to come to work each day and to work alongside a team of such dedicated people in serving the needs of those who are not able to make the decisions for themselves that the PGT is tasked to make for them.

The PGT looks forward to continuing to work with and for our clients in the year ahead. Although there are sure to be challenges along the way, we are committed to working through those challenges in order to overcome obstacles, continue to make responsible, diligent and caring decisions for our clients, and ensure that our office is a great place to work. One of the ways that we hope to do this is through right-sizing the PGT, which will



be a focus in the year ahead. Aligning the PGT's (staff) resources with the demands resulting from continually increased client numbers and complexities will allow the PGT to continue to effectively meet client needs.

The following quote was shared with staff in late 2020-21 as a way to encourage them through the various challenges that accompanied the pandemic: *"I do not deny the existence of the mountain that stands against me, I deny its right to make me believe that it cannot be moved!"* That quote continues to ring true to the approach taken each and every day by PGT staff. May we continue to embrace both the good times and the challenges that lie ahead in 2021-22 with this mindset!

Nicole Hamilton
Public Guardian and Trustee



RÉSUMÉ DES RÉALISATIONS DE 2020-2021



1. Tout au long de l'année 2020-2021, le Bureau du tuteur et curateur public a poursuivi la mise en place de son système de gestion des documents, qu'il a acquis et introduit en 2019. Cela lui a permis de poursuivre l'examen et l'ajout au système de nouveaux processus d'entreprise et de flux de travail, ce qu'il continuera de faire dorénavant, dans le but de tout numériser tout en s'efforçant de faire des gains d'efficacité dans ses activités.
2. Dans le cadre de la modernisation de ses technologies, le Bureau du tuteur et curateur public a fait l'acquisition d'un nouveau logiciel d'audit judiciaire qui va accroître l'efficacité des audits internes des données électroniques. En outre, le Bureau prévoit que la période de cadrage pour le remplacement de ses systèmes comptables commencera à l'automne de 2021-2022.
3. Certes, la pandémie de COVID-19 a considérablement réduit la capacité du Bureau du tuteur et curateur public d'offrir des possibilités d'éducation au public mais il lui a été possible de présenter un exposé en juin 2020 (grâce à ses Services juridiques). Le Bureau étudie maintenant des solutions qui lui permettront d'offrir des possibilités d'éducation du public dans un cadre virtuel.
4. La demande de services du Bureau du tuteur et curateur public ne cesse de croître chaque année et l'année 2020-21 n'a pas fait exception : le nombre de clients des Services aux adultes et des services relatifs aux successions et aux fiducies a augmenté, portant à 6 593 le nombre de clients du Bureau au 31 mars 2021 : un sommet.
5. D'année en année, le Bureau du tuteur et curateur public a vu croître le nombre de ses clients, comme le montre le tableau suivant (qui présente des données ventilées pour les Services aux adultes et les services relatifs aux successions et aux fiducies) :

<u>Division</u>	<u>Accroissement depuis</u> <u>2019</u>	<u>Accroissement depuis</u> <u>2013</u>
Bureau dans son ensemble	4,6 %	22,53 %
Services aux adultes	4,1 %	17,14 %
Successions et fiducies	5,4 %	31,38 %

L'augmentation du nombre de clients du Bureau s'accompagne d'une hausse de la demande de services aux adultes et de services relatifs aux successions et aux fiducies, ainsi que de toutes les autres divisions du Bureau qui les soutiennent.



La demande de services et la complexité des dossiers n'ont fait que croître en raison de la pandémie de COVID-19. Ainsi, le personnel des Services aux adultes a dû étudier des demandes de consentement à la vaccination pressantes qui visaient un nombre important de clients et y répondre. En outre, le même personnel a dû composer (et compose toujours) avec des situations financières complexes dans lesquelles des clients ont demandé et reçu des sommes au titre de la PCU auxquelles ils n'avaient pas droit. Il en est résulté la cessation ou l'interruption du versement de leurs prestations d'assistance sociale.

Cela dit, malgré l'augmentation du nombre de clients, l'accroissement de la demande ou la complexité des dossiers, le personnel du Bureau du tuteur et curateur public travaille toujours avec diligence pour que les décisions portant sur la gestion des finances des clients ou des soins à leur personne soient prises de manière consciencieuse et empreintes de compassion.



Overview

The Public Guardian and Trustee (PGT) protects the interests of our clients by providing a variety of guardian and trustee services from our offices which are located in Winnipeg and Brandon. As at March 31, 2021, we supported the needs of approximately 3,922 individuals and 2,671 estates and trusts, for a total of 6,593 clients, resulting in our management of approximately \$301M in assets.

The PGT is considered a last resort: we are appointed to act by the courts and others acting under various Manitoba laws when there is no one else able or willing to act. We do not have the power to appoint ourselves to act and must respond to each request for service quickly and in a timely manner.

What roles do we perform?

- Committee when appointed under *The Mental Health Act*;
- Substitute Decision Maker when appointed under *The Vulnerable Persons Living with a Mental Disability Act* (in which case the PGT is given specific authorities to make decisions where the person is unable to make the decisions alone or with the assistance of a support network). The PGT's appointed authorities can vary depending on the situation, ensuring that we are only involved to the extent required for the particular individual, thereby maintaining the independence of that person to manage other parts of his or her life;
- Guardian of an estate belonging to a person under 18 years of age when appointed under *The Infants' Estates Act*;
- responding to requests for psychiatric treatment on behalf of mentally incompetent patients who cannot give consent;
- 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;
- reviewing court applications made by a member of the public who wants to be appointed as a Committee;
- other reviews and services required under a variety of Manitoba laws.

What do we do once we are appointed?

The services we provide will depend on the type of appointment and may include:

- making personal and medical decisions;
- managing each client's financial resources;
- acting as executor or administrator of an estate; and/or
- administering trusts.

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. We delegate the delivery of some services to Regional Health Authorities and other agencies.



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.

Accountability

The Public Trustee was first established as a corporation sole under *The Public Trustee Act* on February 1, 1973. With *The Public Guardian and Trustee Act* which came into force on April 1, 2014, the name changed to The Public Guardian and Trustee. That Act is the current governing legislation of the PGT.

The PGT has a corporate seal and perpetual succession and functions separately from government. It is capable of suing or being sued. This structure allows the PGT to independently make decisions that are in the best interests of the clients, estates and trusts being served.

The PGT is accountable for our activities in a variety of ways:

- As part of the Consumer Protection and Business Services Division of the Department of Finance, the PGT is accountable for its operational performance;
- The Auditor General audits the books and accounts of the PGT and reports the results of these audits to the Legislature and to the Minister of Finance;
- As a Special Operating Agency under *The Special Operating Agencies Financing Authority Act*, the PGT is accountable to Treasury Board for its financial performance, business plan and quarterly reports;
- The Ombudsman can receive and investigate complaints from the public about the quality of services provided by the PGT.

The PGT also consults with and obtains advice from the following:

1. Advisory Board

The PGT provides a business plan and quarterly reports to its Advisory Board. Members of the Board are appointed by the Minister responsible for the PGT. The Board is chaired by the Assistant Deputy Minister. The Board meets quarterly to provide advice to the PGT on its direction, its annual business plan and its financial reporting requirements. As of March 31, 2021 the members of the Board were:

Chair	Kathryn Durkin-Chudd, Assistant Deputy Minister Consumer Protection & Business Services	
Members	Nicole Hamilton, Public Guardian and Trustee Public Guardian and Trustee Office	ex officio
	Kevin Funk, Chief Financial Officer Public Guardian and Trustee Office	ex officio
	Avis Gray, Assistant Deputy Minister Manitoba Health and Seniors Care	



Heidi Wurmman, Assistant Deputy Minister
Department of Families

Michelle Samagalski, Trust Officer
TD Wealth Private Trust

Private Sector

Tracy Sotheran, Adult Services Administrator
Public Guardian and Trustee Office

Employee
Representative

2. External Investment Committee

The PGT's 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.

Chair

Kevin Funk, Chief Financial Officer
Public Guardian and Trustee Office

Members

Nicole Hamilton, Public Guardian and Trustee
Public Guardian and Trustee Office

Jori Carroll, Investment Officer
Public Guardian and Trustee Office

Don Delisle, Assistant Deputy Minister
Manitoba Finance, Treasury Division

3. National Association of Public Trustees and Guardians (NAPTG)

NAPTG is a non-profit membership organization consisting of Public Guardian and Trustee offices from each province and territory in Canada. NAPTG provides an opportunity for the sharing of information and promotion of best practices amongst participating organizations. We are actively involved in supporting the activities and objectives of the association.



B.

**SERVICES
PROVIDED BY
THE PGT**



PGT as Committee

What is a Committee?

A Committee is someone who is appointed to make personal care and property decisions on behalf of an individual who has been assessed as mentally incapable of managing their own affairs. Sometimes a Committee is described as someone who “steps into the shoes” of another person, making decisions and managing the day-to-day affairs of that person.

How does the PGT become Committee?

Under *The Mental Health Act*, the Director of Psychiatric Services can issue an order appointing the PGT as Committee for someone who has been found to be incapable of managing his or her affairs as a result of a mental illness. The process starts with a doctor preparing a Certificate of Incapacity. The Director of Psychiatric Services (who is independent from the PGT) reviews the certificate and gathers necessary medical and personal information about the individual, to decide if a Committee should be appointed. Except in emergency cases, the Director provides notice to the individual who is the subject of the order.

A Committee can also be appointed by a Justice of the Court of Queen’s Bench. The court can decide to appoint the PGT, a family member or other suitable individual to be Committee.

Once the PGT is appointed as Committee for a mental health client, we must act and must continue to act unless removed as Committee.

What services do we provide?

The PGT performs a variety of services in carrying out its role as Committee:

- preparing budgets and managing spending;
- making and maintaining living arrangements;
- managing property, including homes;
- managing financial investments;
- preparing and filing tax returns;
- making personal decisions (such as medical decisions);
- paying bills;
- managing debts; and
- accessing services and programs from government and outside agencies.

We work closely with our mental health clients and other service providers when performing these services. Although we have the legal responsibility to make these decisions, we consult with the client, their family and close friends of our client whenever possible.



PGT as Substitute Decision Maker

What is a Substitute Decision Maker?

The Vulnerable Persons Living with a Mental Disability Act (VPA) recognizes and supports the independence of adults living with a mental disability who require assistance in order to meet their basic personal care and/or financial management needs. The role of the Vulnerable Persons Commissioner (Commissioner) is to assess each adult to determine what supports are required to help that individual continue to live as independently as possible.

A Substitute Decision Maker (SDM) is someone appointed by the Commissioner to support the vulnerable adult by making certain types of decisions. The type of decisions will depend on the needs of the vulnerable adult.

How do we become involved as SDM?

The Commissioner (who is independent from the PGT) receives applications requesting the appointment of a SDM from a variety of sources which can include family or care providers. The Commissioner reviews each application and provides the adult under review and other interested parties with the opportunity to provide information and appear before a hearing panel. After the hearing, the hearing panel makes a recommendation to the Commissioner.

The SDM appointment is limited to the type of assistance required by the vulnerable adult. A SDM appointment cannot be longer than five years, but can be reviewed or renewed by the Commissioner.

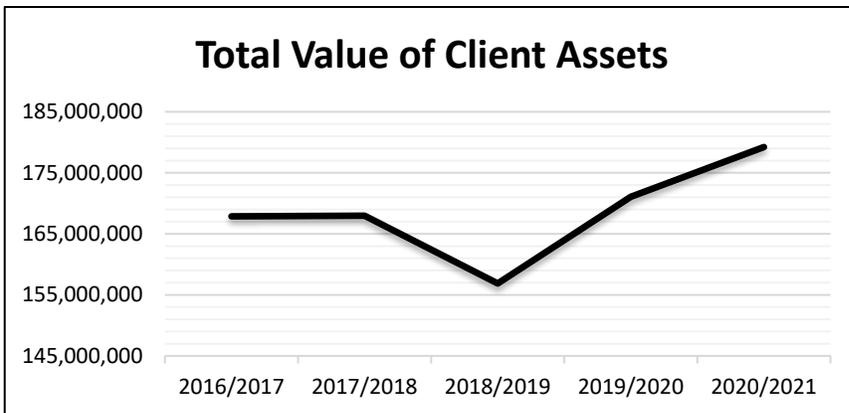
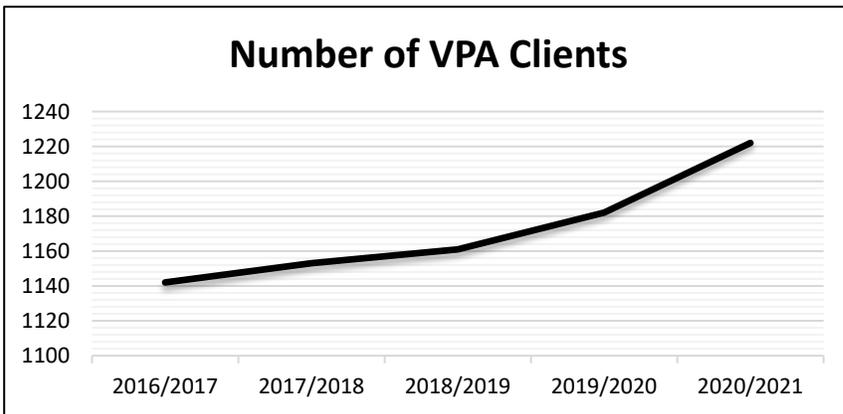
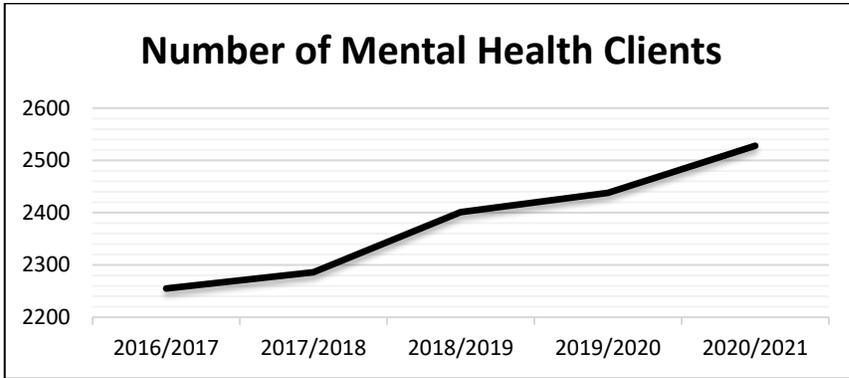
The Commissioner can choose to appoint the PGT as SDM. Once appointed, the PGT must act and continue to act until the appointment expires or a further appointment extending or ending our authority is issued by the Commissioner.

What services do we provide?

The services provided by the PGT as SDM for our VPA clients depend on the appointment that is issued. The appointment can include financial matters as well as personal matters. We will respect the right of the client to continue to be independent in relation to any personal and/or financial matters that are not part of the SDM order.



**Committee and Substitute Decision Making
Activities for the year ending March 31, 2021**



Year	# of Mental Health Clients	# of VPA Clients	Total Value of Client Assets
2016/2017	2255	1142	\$167,869,311
2017/2018	2286	1153	\$167,980,541
2018/2019	2401	1161	\$156,869,918
2019/2020	2438	1182	\$171,084,518
2020/2021	2528	1222	\$179,220,791



Patients in Psychiatric Facilities

Once a patient is admitted to a psychiatric facility, a doctor will conduct an examination to determine if the patient can manage their own financial affairs as well as whether the patient has the ability to make medical treatment decisions. Under *The Mental Health Act*, the doctor and facility can decide that the PGT should be appointed to manage the financial affairs of the person and/or make medical decisions for them.

Once appointed, the PGT is required to act. The appointment ends once the person regains capacity to make decisions or when the person is discharged from the facility.

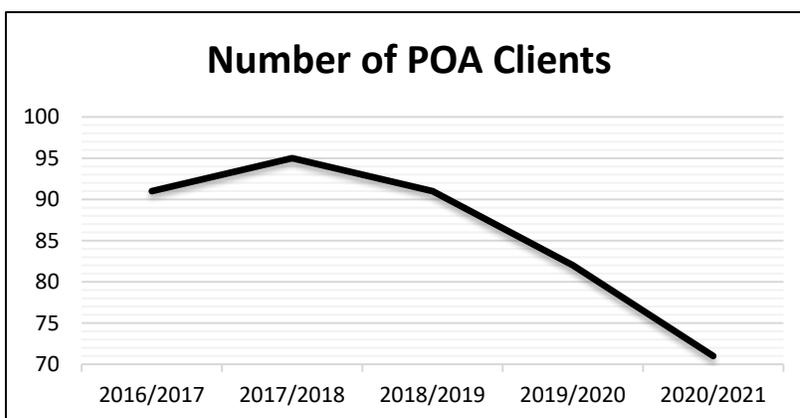
What services do we provide?

The role of the PGT will vary depending on the situation and the length of time the person impacted will be subject to the order issued by the psychiatric facility. The order may limit our role to managing financial matters, or may require us to make medical treatment decisions.

Power of Attorney

A Power of Attorney is a legal document that allows someone else to manage your legal and financial affairs. Historically (until 2019), the PGT has in the past accepted appointments as attorney for competent adults when the adult had agreed to our terms of service. However, in order to better focus resources on core services that we are required by law to provide, the PGT stopped accepting new Power of Attorney appointments as of April 1, 2019. (While new appointments are no longer accepted, existing Power of Attorney clients will continue to receive service from the PGT.)

Activities for the year ending March 31, 2021



PGT as Administrator of an Estate

The PGT administers estates of people who die in Manitoba where there is no one else willing or able to take on the role. We are an administrator of last resort and do not actively seek to administer estates.

The process to apply to court to be appointed as administrator of an estate is the same for the PGT as for any other member of the public. Only the court can give someone the legal authority to administer an estate. Once appointed, we are accountable to the court.

It is not always necessary to administer an estate. If there are no assets, the value of the deceased debts exceeds the value of assets, or the assets of the deceased were jointly owned (and transferred at the time of death), there may be no need to administer the estate.

How do we become involved in the administration of an estate?

There are a number of ways that the PGT becomes involved in estate administration:

- The Court can order us to administer the estate. This usually happens when there is no one else available to act, or there is a dispute about who should act.
- When we are Committee or SDM for a client who dies, we continue to have a limited authority to manage the client's assets until an executor or administrator is appointed.
- We receive referrals for a variety of estates to be administered from: the Medical Examiner's office, police, community workers, hospitals, funeral homes and friends or family members who live outside the province.
- There are times when the PGT is named as executor in a will; in those situations, the PGT will make a decision whether to agree to apply to court to administer the estate.

What services do we provide?

We provide the same services any administrator or executor of an estate is required to provide. This includes:

- gathering the deceased's assets;
- applications to court;
- identifying heirs and beneficiaries;
- advertising for creditors;
- filing income tax returns;
- arranging for the payment of debts; and
- distribution of assets of the estate to beneficiaries.



PGT as Trustee

The PGT will administer a trust for the benefit of a child or an adult who does not have capacity when required by the court or when required under Manitoba law. We become involved when an independent person is needed to manage money that has been set aside for the benefit of a child or an incompetent adult.

How do we become appointed as trustee?

The PGT is appointed as trustee through any of the following means:

- a court ordered payment made to benefit a child as a result of an injury, death of a parent or family member, or where the child has been the victim of a crime;
- payment of money owing to a child under an insurance policy;
- where a child is named as beneficiary of a registered investment or pension;
- where a child is a beneficiary of an estate and no one is available to administer the money or asset for the child; and/or
- where the beneficiary of a payment is an adult who is not competent to manage his or her own affairs.

What services do we provide?

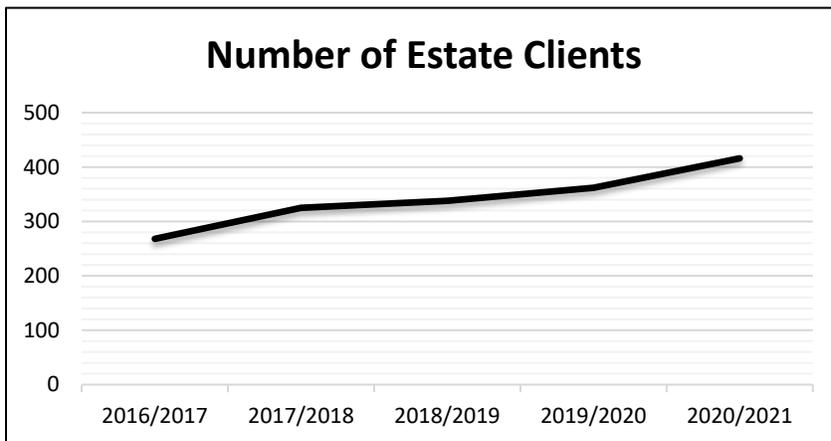
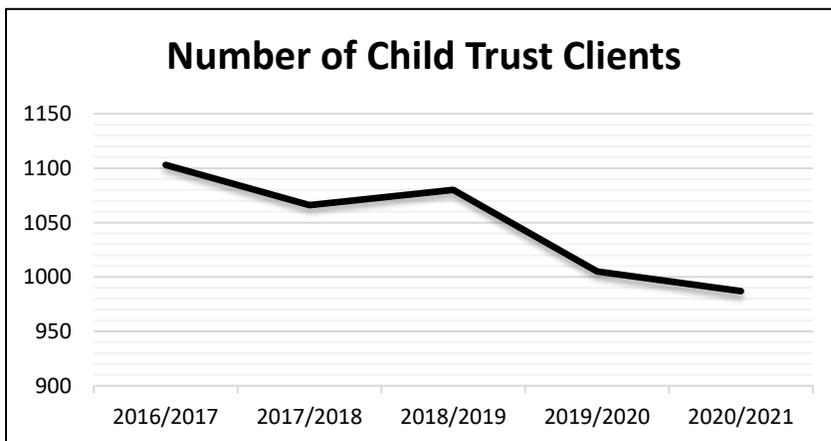
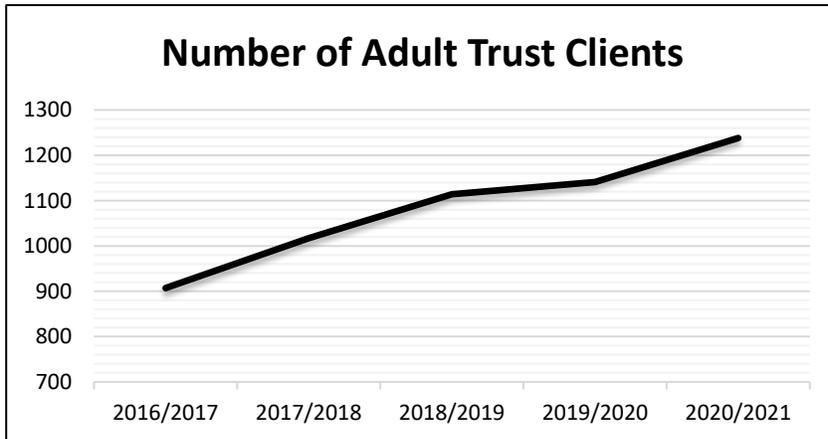
As is required of all trustees, the PGT must follow the instructions contained in the trust documents as well as in all applicable Manitoba laws, in order to do the following:

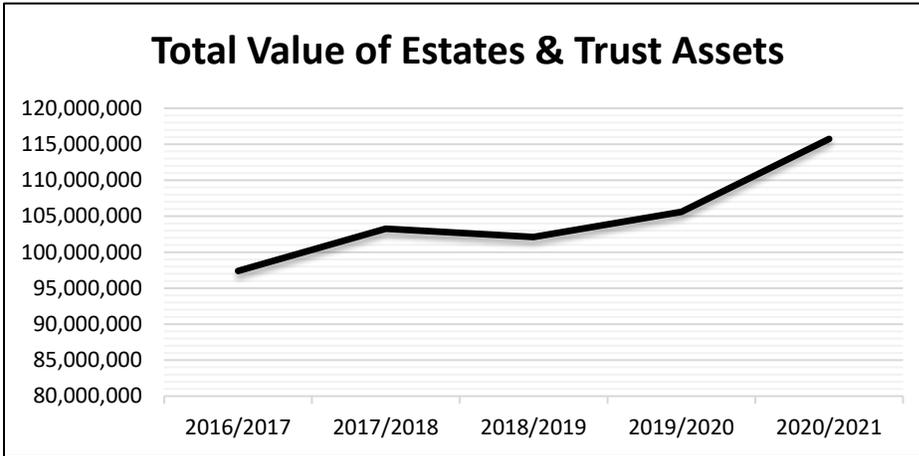
- protect the trust assets;
- invest money for the beneficiary of the trust;
- pay out money when appropriate for the beneficiary; and
- arrange for transfer of the trust to the child once the trust ends.

In cases where a child is the beneficiary of a trust, our involvement generally ends when the child becomes an adult. Often this will be the first time the child will have responsibility for the management of what can be a large amount of money. We offer information and education about money management to the child prior to paying money them and closing the trust.



Estates and Trusts
Activities for the year ending March 31, 2021





Year	# of Adult Trust Clients	# of Child Trust Clients	# of Estate Clients	Total Value of Assets
2016/2017	907	1103	268	\$97,394,998
2017/2018	1017	1066	325	\$103,271,176
2018/2019	1114	1080	338	\$102,118,994
2019/2020	1141	1005	362	\$105,607,680
2020/2021	1238	987	416	\$115,737,612



Public Education

We recognize the importance of providing information to the public about the PGT. Accordingly, in past years, we have conducted a variety of educational sessions on various topics for audiences including: agencies, service groups, government departments and the general public. These sessions are intended to provide information about the PGT's role as well as providing more general information on topics such as wills, estates and powers of attorney.

Speaking Engagements

While the COVID-19 pandemic limited the PGT's ability to conduct education sessions in the same fashion or frequency as in years past, one educational session was able to be delivered by our office during the 2020/21 fiscal year (held prior to the pandemic infection rate preventing any further such opportunities):

Date	Location/Region	Group/Topic	Attendance
June 29, 2020	Winnipeg	Manitoba Bar Association Wills & Estates Section / Appointment of the PGT by the Director of Psychiatry	25

In the upcoming fiscal year (and beyond), the PGT plans to transition a portion of its educational content to a virtual setting in order to continue to provide information addressing the numerous general inquiries that are received by our office on a weekly basis as well as specific questions that arise from time to time. Fortunately, while the virtual education is being developed, the PGT continues to offer a variety of publications to assist the public.

Publications

We have a number of publications available (available in English and French) at the following link on the PGT website: <http://www.gov.mb.ca/publictrustee/pubs/index.html>.

The following publications offer information to 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

We co-operated with the Manitoba Seniors and Healthy Aging Branch to produce 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.

The following publications offer information relating to the services provided by the PGT:

1. 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. 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.

4. 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.

5. Children's Trusts Education Program

This program is used as an educational tool for young adults who are about to receive money from a trust.





C.

**SUPPORTING THE
SERVICES WE
PROVIDE**



Supporting the Services We Provide

We provide a wide variety of services. In order to provide these services, we require a high level of professional expertise in matters involving accounting, legal and tax matters. We need to understand what benefits and services are available to our clients as well as how to access those services from other government departments, regional health authorities and community agencies.

While we are organized into the following operational sections, it is the combined efforts of each of these areas that allows us to deliver service to the clients, estates and trusts under our care.

Senior Leadership

The PGT's Leadership Team is involved in strategic planning and management of all operations. The manager of each operational area is represented, as follows:

- Public Guardian and Trustee (oversees all administration at/of the PGT)
- Deputy Public Guardian and Trustee – Adult Services
- Deputy Public Guardian and Trustee – Legal Services
- Chief Financial Officer (oversees Financial Administration)
- Manager, Estates and Trusts
- Manager, Investigation Services
- Senior Application Specialist (manages the PGT's Information Technology Systems)

Administration

In providing administrative support for all operations of the PGT as well as the internal audit function which monitors operations, the Administration Section includes:

- Public Guardian and Trustee
- Internal Auditors
- Transformation Specialist
- Administrative Assistant

Adult Services

Managing the personal and financial affairs of clients where the PGT has been appointed as Committee, SDM or attorney under a power of attorney, the Adult Services Section (which has locations in both Winnipeg and Brandon) is comprised of:

- Deputy Public Guardian and Trustee – Adult Services
- Team Leads
- Adult Services Administrators (including one in Brandon)
- Administrative Assistants (including one in Brandon)
- Estates Administration Clerk
- Medical Claims Clerk



Estates and Trusts

Managing the administration of deceased estates as well as adult and children's trusts, the Estates and Trusts Section is comprised of:

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

Financial Administration

Performing a role similar to a trust company by managing finances, investments and financial transactions for clients, estates and trusts, the Financial Administration Section is responsible for managing the PGT's operating revenues, expenditures and budgets as well as for the Common Fund. It is comprised of:

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

Investigation Services

Investigators work in the community to provide services to clients, estates and trusts. Investigators inspect and prepare inventories, make purchases required by clients, secure assets and perform other services as required. The Investigation Services Section is comprised of:

- Manager, Investigation Services
- Investigators
- Chattel Clerk

Legal Services

The Legal Services Section provides a variety of legal services for the benefit of the PGT's clients, estates and trusts, including: representation in court, the conduct of real estate and other legal transactions. This Section also provides legal advice to the PGT and acts for the PGT when served with legal applications involving minors (in so doing, legal counsel review the applications to determine if the interest of the minor is being protected). This Section is comprised of:

- Deputy Public Guardian and Trustee – Legal
- Legal Counsel
- Administrative Assistants



Information Technology Systems (IT)

Managing and maintaining existing IT systems used by the PGT while being actively involved in the acquisition and development of new IT systems, the IT Section includes:

- Senior Application Specialist
- Application Specialist
- Application Developer

Delegation of our Authority

The PGT is permitted by its legislation to delegate the delivery of services to other organizations. We delegate the delivery of specific types of services to organizations that have the expertise and are better positioned in the community to provide those services to our clients. This avoids duplication and allows for the more efficient use of resources.

Except for the monitoring of personal allowances, services delegated do not include financial, legal, psychiatric or medical treatment decisions. There is also no delegation for clients who are resident in personal care homes in Winnipeg and Brandon, or clients who are in psychiatric facilities.

In cases where we have delegated the provision of services, we continue to monitor the activities of each organization and work with those organizations to secure the best outcomes for our clients. The organizations that the PGT works with in delegating the delivery of services include:

- *Manitoba Department of Families* – Delegation to the Executive Director of Disability Programs, the Executive Director of Winnipeg Services or the Executive Director of Rural and Northern Services.
- *Manitoba Developmental Centre* – Delegation to approve minor medical procedures as well as the authority to apply to court for an order for apprehension of a resident who has absconded from the Centre.
- *Regional Health Authorities* – Delegation to the regional health authority where the client resides, to facilitate housing, day services and individual supports.



D.

PERFORMANCE AND TRENDS



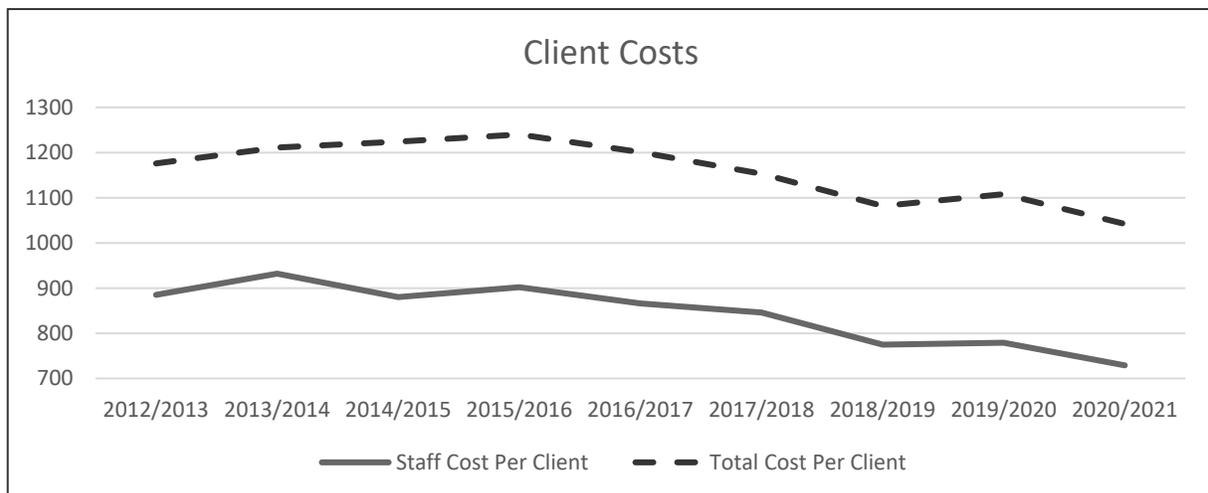
Performance Reporting

Each year the PGT prepares a Business Plan identifying both short and long-term goals. These goals are focused on identifying and implementing ways to improve the quality of service we provide to the clients, estates and trusts we serve.

We promote a work environment which is positive and supportive. We also recognize that the work we do can be both challenging and stressful. We make consistent efforts to engage all staff to focus on identifying opportunities for continuous improvements to our processes and systems.

As the following demonstrates, our office has experienced consistent increases in client numbers over the past nine years while staffing costs per client have decreased:

Year	Clients	Expenses	Cost/Client	Staffing Costs	Staffing Cost/Client	# FTEs	# Clients per FTE
2012/2013	5,381	\$6,330	\$1,176	\$4,761	\$885	75.38	71
2013/2014	5,457	\$6,611	\$1,211	\$5,084	\$932	75.38	72
2014/2015	5,609	\$6,865	\$1,224	\$4,938	\$880	76.38	73
2015/2016	5,688	\$7,054	\$1,240	\$5,133	\$902	76.38	75
2016/2017	5,626	\$6,755	\$1,201	\$4,871	\$866	77.38	76
2017/2018	6,033	\$6,958	\$1,153	\$5,105	\$846	77.38	78
2018/2019	6,276	\$6,789	\$1,082	\$4,861	\$775	75	84
2019/2020	6,301	\$6,980	\$1,108	\$4,906	\$779	73	86
2020/2021	6,593	\$6,867	\$1,042	\$4,807	\$729	73	90



An increase in assets under the PGT's management has accompanied the increased client numbers over time (\$ as millions):

	2016-17	2017-18	2018-19	2019-20	2020-21
Assets under PGT administration	\$260	\$260	\$270	\$277	\$301



The increased number of PGT clients has also resulted in increased caseloads being handled by the PGT's Adult Services Section (in which caseloads are managed by Adult Services Administrators, otherwise known as ASAs) and by the Estates and Trusts Section (in which caseloads are managed by Estates Officers, otherwise known as Officers). As of March 31, 2021, the average caseloads were as follows, compared to the prior year:

	As of March 31, 2020	As of March 31, 2021
Adult Services – Mental Health	190 files / ASA	194 files / ASA
Adult Services – VPA	296 files / ASA	302 files / ASA
Estates and Trusts	118 files / Officer	132 files / Officer

These increased caseloads have also increased demand on the other Sections of the PGT (Investigation Services, Financial Administration, Legal Services, IT and Administration), which work to support the Adult Services and Estates and Trusts Sections.

Given the growth experienced at the PGT in terms of client numbers and resulting demands, an important focus going forward will be working toward right-sizing the organization with a view to aligning resources with demand.

Continuous Improvement

Notwithstanding the increased client demands, the PGT's dedicated staff continue to diligently serve our clients to the best of their abilities while striving to continually improve the office and its overall performance. The following highlights some of the activities and improvements that have been made/experienced during the year:

- Our office continues to implement organizational and procedural changes to adapt to new technologies, most notably leveraging digital documents via the document management system (DMS). This includes an increased focus on streamlining business processes and finding automation opportunities throughout the office.
- Notwithstanding the fact that opportunities for seeking business process improvements through techniques such as Lean reviews were considerably impacted by the COVID-19 pandemic, our office continued to implement changes and introduce new processes to the DMS, albeit at a slower pace.
- In June of 2020, an Information Systems Coordinator was hired to lead the scanning team and take over record management functions. The PGT's record schedules are being reviewed and adapted to optimize our ability to manage electronic records in the DMS.
- In November of 2020, a Transformation Specialist was hired. This position is focused on providing change management and training activities to the entire office. This will be instrumental as our office continues to adapt to new technology, including the DMS and anticipated changes to our accounting software.



Technology

- Our office has been working with vendors to introduce electronic payments whenever possible and thereby reduce the number of paper cheques printed. We expect to “go live” in September, 2021 with the necessary changes to provide this service.
- Our office has also been working with vendors to improve the format of invoices and other documents received by the PGT. Those improvements will enable the PGT’s scanning technology to be better utilized. They will also enable further automation (in the DMS) of various document processing needs, such as payment of invoices.
- The scoping phases for the project(s) to replace the PGT’s accounting and case management systems is expected to begin in the Fall of 2021. The initial focus will be to change over the office’s operational accounting platform, closely followed by the trust and case management components. Every effort will be made to leverage the same platform for both the trust and operational accounting systems to reduce costs for software, infrastructure and training.
- The PGT’s public website continues to undergo improvements to make it easier for the public to find information about our services. This initiative is part of a larger project within the Consumer Protection and Business Services Division, to synchronize a number of sites under a similar style and improve the content.

Correcting Errors

We process close to 450,000 financial transactions each year. Although the vast majority are completed accurately, we will repay a client, estate or trust when we make an error that has a financial impact. In most cases these errors are minor, such as a utility bill or bus pass that was not cancelled. Amounts paid to clients, estates and trusts during the year ending March 31, 2021 were as follows:

Reason for Payment	Amount (\$)
Reimburse client for moving costs (clerical error)	586.69
Reimburse client for storage costs which should have been cancelled	210.00
Reimburse client for taxi trips and rent	106.58
Reimburse client for duplicate payment of courier charges	11.25
Reimburse client for insurance which should have been cancelled	92.02
Reimburse client for certificates ordered in error	145.75
Reimburse client for overpayment of rent	6,456.00
Reimburse insolvent estate for insurance premiums	3,503.56
Reimburse client for item stolen from PGT vehicle	32.93
Reimburse two clients for certificates ordered in error	60.00
Reimburse client for insurance premiums	5.40
Reimburse client for exchange rate difference (US funds)	5.08
CPP Death Benefit from Province of Quebec not applied for in error	2,500.00



Reimburse client for MTS charges which should have been cancelled	3,051.88
Reimburse client for online order never received by client	11.41
Paid to Blue Cross for outstanding premiums unable to be matched to a particular client	2,614.01
Reimburse client for bus pass purchased in error	46.14
Reimburse client for storage costs which should have been cancelled	656.12
Reimburse client for Blue Cross claim denied due to late submission	94.50
Total Amount Paid during fiscal 2020/21	\$20,189.32



Summary of Financial Results

PUBLIC GUARDIAN AND TRUSTEE SOA

Summary of Financial Results for the Fourth Quarter ending March 31, 2021

	Budget March 20/21	Prior Year March 19/20	Actual March 20/21	Budget Variance
Total Revenue	7,540	7,856	8,229	9.14%
Salaries and Benefits	5,141	4,906	4,783	-6.96%
Employee Pension Costs	384	340	360	-6.25%
Accommodations	426	427	458	7.46%
Other Administrative Costs	1,224	1,246	1,184	-3.28%
Amortization	80	61	75	-6.48%
Total Expenses	7,255	6,980	6,860	-5.45%
Net Income (Loss)	285	876	1,369	

Variance Analysis (Actual to Budget)

Fees: Due to movements in the client base, both in numbers and in financial resources, the Public Trustee cannot predict fees with certainty. Please see Revenue Comparison Table for details.

Salaries and Benefits: Tracked below from vacant positions but offset by five severance payouts to retired staff for approx \$150,000

Other Administrative Costs: Not as many spends yet year-to-date

Amortization: Less capital assets purchases required for DMS than anticipated, some because of delays in project



Internal Audit Report

1. File Reviews

Client files are typically reviewed within 6 months of file opening. During the year, 407 client files were opened, 146 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.

In addition to file reviews, Internal Audit reviews quarterly reports for clients on Employment and Income Assistance (EIA) to ensure adherence to legislation and EIA policies.

Internal Audit findings are reported to the Deputy Public Guardian and Trustee - Adult Services, who works with her Section (Adult Services) to monitor implementation of any recommendations that were made and accepted and/or to rectify any deficiencies noted. Where necessary, the Internal Audit findings may also identify other Sections of the PGT who need to be involved in the rectification of deficiencies or to receive recommendations arising from the specific file reviews conducted.

2. Ongoing Review of Policies and Procedures

In conjunction with conducting file reviews, Internal Audit makes recommendations for policy, procedure and process enhancements with the purpose of reflecting current practices, reducing risks and improving efficiency. In 2020/21, the workflows and processes of the PGT's Investigations Services Section were specifically reviewed by the Internal Auditor and reported on to the PGT.

3. Audit Program Changes

The PGT was able to complete its acquisition of audit forensics software and is now better positioned to perform improved and more efficient audits on electronic data. As the office continues to work toward reducing paper and switching to digital data formats, this level of repeatable analysis will be essential for adhering to audit requirements in *The Freedom of Information and Protection of Privacy Act* (FIPPA) and *The Personal Health Information Act* (PHIA). The PGT is in the process of finalizing the review of changes to its audit program in order to best leverage the software going forward.





E.

FINANCIAL STATEMENTS



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

**Financial Statements
March 31, 2021**

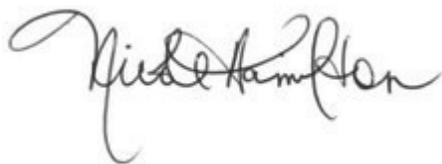
MANAGEMENT REPORT

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 July 30, 2021. 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 the 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 has reviewed and approved these financial statements and the Annual Report in advance of its release and has approved their contents and authorized their release.



Public Guardian and Trustee





Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Public Guardian and Trustee of Manitoba, Special Operating Agency (the "Public Guardian and Trustee of Manitoba"), which comprise the statement of financial position as at March 31, 2021, and the statement of operations and accumulated surplus, the statement of changes in net financial assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Public Guardian and Trustee of Manitoba as at March 31, 2021, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Public Guardian and Trustee of Manitoba in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

In preparing the financial statements, management is responsible for assessing The Public Guardian and Trustee of Manitoba's ability to continue as a going concern, disclosing, as applicable, matters related to going concern using the going concern basis of accounting unless an intention exists to liquidate The Public Guardian and Trustee of Manitoba or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Public Guardian and Trustee of Manitoba's financial reporting process.





Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Public Guardian and Trustee of Manitoba's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Guardian and Trustee of Manitoba's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Public Guardian and Trustee of Manitoba to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Office of the Auditor General
Winnipeg, Manitoba
July 30, 2021



PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA
An Agency of the Province of Manitoba
Statement of Financial Position
As at March 31, 2021
(In Thousands)

	<u>March 31,</u> <u>2021</u>	<u>March 31,</u> <u>2020</u>
Financial assets		
Cash and cash equivalents (Note 5)	\$ 9,117	\$ 7,707
Portfolio investments (Note 10)	516	515
Accounts receivable (Note 6)	<u>1,325</u>	<u>1,248</u>
	<u>10,958</u>	<u>9,470</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	605	545
Employee future benefits (Note 8)	<u>587</u>	<u>579</u>
	<u>1,192</u>	<u>1,124</u>
Net financial assets	<u>9,766</u>	<u>8,346</u>
Non-financial assets		
Prepaid expenses	15	16
Tangible capital assets (Note 9)	<u>213</u>	<u>270</u>
	<u>228</u>	<u>286</u>
Accumulated surplus	<u>\$ 9,994</u>	<u>\$ 8,632</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, 2021
(In Thousands)

	2021 <u>Budget</u> (Note 19)	2021 <u>Actual</u>	2020 <u>Actual</u>
Revenue			
Fees and other revenue (Note 12)	\$ 7,440	\$ 8,181	\$ 7,711
Investment income	<u>100</u>	<u>48</u>	<u>145</u>
Total revenue	<u>7,540</u>	<u>8,229</u>	<u>7,856</u>
Expenses			
Amortization of tangible capital assets (Note 9)	80	75	61
Accommodation costs (Note 11)	426	458	427
Other administration expenses (Note 13)	1,224	1,190	1,246
Salaries and benefits	5,141	4,807	4,906
Pension benefits (Note 14)	<u>384</u>	<u>337</u>	<u>340</u>
Total expenses	<u>7,255</u>	<u>6,867</u>	<u>6,980</u>
Annual surplus	285	1,362	876
Accumulated surplus, beginning of year	8,632	8,632	7,756
Accumulated surplus, end of year	<u>\$ 8,917</u>	<u>\$ 9,994</u>	<u>\$ 8,632</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, 2021
(In Thousands)

	<u>2021</u> <u>Budget</u> (Note19)	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Annual Surplus	\$ 285	\$ 1,362	\$ 876
Tangible capital assets			
Acquisition of tangible capital assets	(50)	(17)	(141)
Amortization of tangible capital assets	<u>66</u>	<u>75</u>	<u>61</u>
Net change in tangible capital assets	<u>16</u>	<u>58</u>	<u>(80)</u>
Other non-financial assets			
Decrease (increase) in prepaid expenses	<u>0</u>	<u>1</u>	<u>2</u>
Net change in other non-financial assets	<u>0</u>	<u>1</u>	<u>2</u>
Net increase in net financial assets	301	1,421	798
Net financial assets, beginning of year	<u>8,345</u>	<u>8,345</u>	<u>7,547</u>
Net financial assets, end of year	<u>\$ 8,646</u>	<u>\$ 9,766</u>	<u>\$ 8,345</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, 2021
(In Thousands)

	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Cash provided by (applied to)		
Operating		
Annual surplus	\$ 1,362	\$ 876
Amortization of tangible capital assets	<u>75</u>	<u>61</u>
	1,437	937
Changes in non-cash working capital balances:		
Accounts receivable	(77)	(45)
Accounts payable and accrued liabilities	59	11
Employee future benefits	8	(104)
Prepaid expenses	<u>1</u>	<u>2</u>
Cash provided by operating activities	<u>1,427</u>	<u>801</u>
Capital		
Acquisition of tangible capital assets	<u>(17)</u>	<u>(141)</u>
Cash applied to capital activities	<u>(17)</u>	<u>(141)</u>
Net increase in cash	1,410	660
Cash and cash equivalents		
Beginning of year	<u>7,707</u>	<u>7,047</u>
End of year	<u>\$ 9,117</u>	<u>\$ 7,707</u>
Supplemental cash flow information		
Interest received	\$ <u>48</u>	\$ <u>145</u>

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



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 Finance assigns responsibility to the Agency to manage and account for the Agency related assets and operations on behalf of SOAFA.

The Agency is a part of Consumer Protection. 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.

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, sick benefits and accrued severance benefits costs.

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, 2021, 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.

The Agency did not incur any re-measurement gains and losses during the year ended March 31, 2021 (2020 - \$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>2021</u>	<u>2020</u>
Cash and cash equivalents	\$9,117	\$7,707
Portfolio investments	516	515
Accounts receivable	<u>1,325</u>	<u>1,248</u>
	<u>\$10,958</u>	<u>\$9,470</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.

Credit Risk

Accounts receivable: The Agency is not exposed to significant credit risk as the receivable is composed of fees due from a diverse client base. 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, 2021 was as follows:

	Gross	Allowance
Current (note 6)	\$1,331	\$ 56
30-60 days past the billing date	-	-
61-90 days past the billing date	-	-
More than 90 days past the billing date	-	-
	<u>\$1,331</u>	<u>\$ 56</u>

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>2021</u>	<u>2020</u>
Cash	\$ 4,417	\$ 4,457
Demand deposits	<u>4,700</u>	<u>3,250</u>
	<u>\$ 9,117</u>	<u>\$ 7,707</u>

6. Accounts receivable

	<u>2021</u>	<u>2020</u>
Fees receivable	\$ 1,331	\$ 1,227
Allowance for doubtful accounts	<u>(56)</u>	<u>(52)</u>
	1,275	1,175
Interest receivable	8	21
Advances to clients	36	46
Cost recoveries	<u>6</u>	<u>6</u>
	<u>\$ 1,325</u>	<u>\$ 1,248</u>

7. Accounts payable and accrued liabilities

	<u>2021</u>	<u>2020</u>
Operating expenses payable	\$ 207	\$ 156
Vacation entitlements earned	361	355
GST payable to Canada Revenue Agency	<u>37</u>	<u>34</u>
	<u>\$ 605</u>	<u>\$ 545</u>

8. Employee future benefits

	<u>2021</u>	<u>2020</u>
Severance benefits	\$ 492	\$ 484
Sick pay benefits	<u>95</u>	<u>95</u>
	<u>\$ 587</u>	<u>\$ 579</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, 2017. The report provides a formula to update the liability on an annual basis.

The Agency's actuarially determined net liability for accounting purposes as at March 31, 2021 was \$630 (2020 - \$560). The actuarial loss of \$228 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 \$62 (2020 – \$178).

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

	<u>2021</u>	<u>2020</u>
Balance beginning of year	\$ 637	\$ 680
Increase due to change in discount rate	-	-
Benefits accrued	20	26
Interest on accrued benefits	35	32
Severance paid	<u>(62)</u>	<u>(178)</u>
Accrued benefit liability	630	560
Less: unamortized actuarial losses	<u>(138)</u>	<u>(76)</u>
Severance benefit liability	<u>\$ 492</u>	<u>\$ 484</u>

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

	<u>2021</u>	<u>2020</u>
Interest on obligation	\$ 20	\$ 26
Employer service cost	35	32
Amortization of actuarial loss over EARSL	<u>0</u>	<u>3</u>
Total expense related to severance benefits	<u>\$ 55</u>	<u>\$ 61</u>

Severance benefits

Significant long-term actuarial assumptions used in the March 31, 2017 valuation, and in the determination of the March 31, 2021 present value of the accrued severance benefit obligation were:

	<u>2021</u>	<u>2020</u>
Discount rate	3.20%	3.80%
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>



Sick pay benefits

The 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 2021 value \$95 (2020 - \$95).

9. Tangible capital assets

	2021			Closing Balance
	Opening Balance	Additions	Disposals	
Cost				
Furnishings and equipment	\$ 353	\$ -	\$ -	\$ 353
Computer hardware and software	125	-	-	125
Document management	309	17	-	326
Leasehold improvements	124	-	-	124
Total cost	<u>\$ 911</u>	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 928</u>
Accumulated amortization				
Furnishings and equipment	\$ 330	\$ 3	\$ -	\$ 333
Computer hardware and software	125	2	-	127
Document management	73	63	-	136
Leasehold improvements	113	6	-	119
Total accumulated amortization	<u>\$ 641</u>	<u>\$ 74</u>	<u>\$ -</u>	<u>\$ 715</u>
Net book value	<u>\$ 270</u>	<u>\$ 57</u>	<u>\$ -</u>	<u>\$ 213</u>

	2020			Closing Balance
	Opening Balance	Additions	Disposals	
Cost				
Furnishings and equipment	\$ 346	\$ 7	\$ -	\$ 353
Computer hardware and software	125	-	-	125
Document management	175	134	-	309
Leasehold improvements	124	-	-	124
Total cost	<u>\$ 770</u>	<u>\$ 141</u>	<u>\$ -</u>	<u>\$ 911</u>
Accumulated amortization				
Furnishings and equipment	\$ 326	\$ 4	\$ -	\$ 330
Computer hardware and software	124	1	-	125
Document management	23	50	-	73
Leasehold improvements	107	6	-	113
Total accumulated amortization	<u>\$ 580</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 641</u>
Net book value	<u>\$ 190</u>	<u>\$ 81</u>	<u>\$ -</u>	<u>\$ 270</u>



10. Designated portfolio investments

Portfolio investments consist of designated assets and non-redeemable investments and guaranteed investment certificates. The Agency has allocated \$516 (2020 - \$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 \$4 (2020 - \$8)

11. Commitments

The Agency has an arrangement with the Province of Manitoba, through the Department of Central Services, 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 \$458 for the year ended March 31, 2021. The lease is held by Central Services and there is no fixed term.

12. Fees and other revenue

	<u>2021</u>	<u>2020</u>
Administration	\$ 7,056	\$ 6,724
Legal fees	381	365
Income taxes	402	376
Inspection	<u>342</u>	<u>246</u>
	<u>\$ 8,181</u>	<u>\$ 7,711</u>

13. Other administration expenses

	<u>2021</u>	<u>2020</u>
Computer expenses	\$ 744	\$ 752
Courier charges	6	8
Insurance, loss, damage	39	26
Office supplies	82	97
Other	-	-
Personnel expenses	23	27
Photocopies	-	1
Postage	76	78
Professional fees	71	87
Publications	1	2
Public communications	1	2
Records Centre charges	31	30
Rentals, equipment	2	2
Repairs and maintenance	10	9
Support services – Human Resources	21	21
Telephone	51	52
Travel	<u>32</u>	<u>52</u>
	<u>\$ 1,190</u>	<u>\$ 1,246</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 \$337 (2020 - \$340). Under this agreement, the Agency has no further pension liability.

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 \$268,000 (2020 - \$138,000). These amounts are not reflected in these financial statements.

17. Estates and trusts under administration

The client assets under administration at March 31, 2021 totaled approximately \$301,000 (2020 - \$277,000). The trust activities of the Agency are reported in a separate Estates and Trusts under Administration financial statements.

18. Contingencies

Various claims and litigations arise in the normal course of operations. It is management's opinion based on advice and information provided by legal counsel that adequate provision has been made for any potential settlements relating to such matters. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable with assurance and actual results could differ and as adjustments become necessary they are reported in the periods in which they become known.

19. Budgeted figures

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



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

**Financial Statements
March 31, 2021**

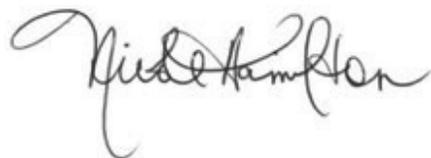
MANAGEMENT REPORT

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 July 30, 2021. 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 has approved its content and authorized its release.



Public Guardian and Trustee



Auditor General
MANITOBA

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of The Public Guardian and Trustee of Manitoba, Estates and Trusts under Administration (the "Trust"), which comprise the balance sheet as at March 31, 2021, and the statement of cash receipts and disbursements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the balance sheet of the Trust as at March 31, 2021, and the statement of cash receipts and disbursements for the year then ended in accordance with the basis of accounting described in Note 2 of the financial statements.

Basis for Opinion

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

Emphasis of Matter: Basis of Accounting and Restriction on Distribution and Use

We draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared to assist the Public Guardian and Trustee to meet the requirements of Section 36(2) of *The Public Guardian and Trustee Act*. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter. 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the basis of accounting described in Note 2 of the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless an intention exists to liquidate the Trust to cease operations, or there is no realistic alternative but to do so.

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





Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Office of the Auditor General
Winnipeg, Manitoba
July 30, 2021



GOVERNMENT OF THE PROVINCE OF MANITOBA

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

Balance Sheet
as at March 31, 2021

ASSETS	2021	2020
Cash on hand and in bank	\$ 35,194,326	\$ 14,206,575
Investments - Common Fund (Notes 2(a) and 3)	199,304,451	199,526,380
- Specific Estates and Trusts (Notes 2(b) and 4)	40,457,152	36,491,956
Accrued interest receivable on common fund investments (Note 2(a))	1,381,695	1,299,650
Real estate (Note 2(c))	24,602,688	25,769,599
Other assets at nominal value (Note 2(d))	<u>1</u>	<u>1</u>
	<u>\$300,940,313</u>	<u>\$277,294,161</u>
LIABILITIES		
Other liabilities at nominal value (Note 2(f))	\$ 1	\$ 1
Mortgages Payable (Note 2(e))	2,220,669	2,349,851
Public Guardian and Trustee- Fees payable (Note 1)	245,054	282,678
- Expenditures payable (Note 5)	<u>33,767</u>	<u>44,618</u>
	<u>2,499,491</u>	<u>2,677,148</u>
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
<i>The Mental Health Act</i>	181,150,652	168,468,023
<i>The Public Guardian and Trustee Act</i>	<u>117,290,170</u>	<u>106,148,990</u>
	<u>\$300,940,313</u>	<u>\$277,294,161</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, 2021

RECEIPTS	2021	2020
Funds held by estates and trusts brought under administration	\$ 20,837,152	\$ 14,433,843
Realization of equities in other estates	3,780,182	3,746,691
Pensions, compensation and assistance	42,154,061	40,998,799
Sickness, disability and other insurance benefits	7,570,585	7,844,717
Investment income	5,424,425	5,700,537
Sale of estate property	5,817,904	6,744,808
Collections on accounts receivable	<u>5,756,293</u>	<u>2,604,881</u>
Total receipts, before sale or redemption of securities	91,340,602	82,074,276
Sale and redemption of securities - Common Fund	16,000,000	21,750,000
Sale and redemption of securities - Specific Estates and Trusts	<u>7,236,529</u>	<u>4,738,844</u>
Total Receipts	<u>114,577,131</u>	<u>108,563,120</u>
 DISBURSEMENTS		
Room, board and other maintenance expense	33,660,306	35,585,801
Preservation of estates	6,197,521	6,027,957
Other estate expense	2,265,069	2,319,879
Administration and passing of accounts (Note 1)	7,601,047	7,237,460
Estates and trusts released from administration	<u>26,715,548</u>	<u>29,384,083</u>
Total disbursements, before purchase of securities	<u>76,439,491</u>	<u>80,555,180</u>
Purchase of securities - Common Fund	16,532,890	24,014,336
Purchase of securities - Specific Estates and Trusts	<u>616,998</u>	<u>521,689</u>
Total Disbursements	<u>93,589,379</u>	<u>105,091,206</u>
Excess cash receipts (disbursements)	20,987,752	3,471,914
Cash position at start of year	<u>14,206,574</u>	<u>10,734,661</u>
Cash position at end of year	<u>\$ 35,194,326</u>	<u>\$ 14,206,575</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, 2021

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.



GOVERNMENT OF THE PROVINCE OF MANITOBA

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

Notes to Financial Statements March 31, 2021 (continued)

- 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

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.



GOVERNMENT OF THE PROVINCE OF MANITOBA

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

Notes to Financial Statements March 31, 2021 (continued)

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.

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, 2020 and 2021 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.



GOVERNMENT OF THE PROVINCE OF MANITOBA

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

Notes to Financial Statements March 31, 2021 (continued)

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.

3. Investments - Common Fund

	<u>2021</u> <u>Market Value</u>	<u>2021</u> <u>Par Value</u>	<u>2021</u> <u>Book Value</u>	<u>2020</u> <u>Book Value</u>
Term deposits & investment certificates	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000
Alberta Capital Finance	29,082,189	27,600,000	27,856,274	41,927,707
Province of B.C.	10,993,570	10,200,000	10,350,949	10,391,104
Province of Manitoba	44,226,758	42,000,000	42,337,697	37,297,475
Province of Quebec	26,562,498	25,000,000	25,287,702	20,215,890
Province of Ontario	10,524,967	10,000,000	10,167,088	10,219,384
Province of New Brunswick	2,083,815	2,000,000	1,947,011	1,938,695
Province of Newfoundland	3,150,206	3,000,000	2,943,175	2,929,557
Province of Nova Scotia	8,157,596	8,000,000	8,018,880	8,131,853
Province of Saskatchewan	3,200,849	3,000,000	3,026,551	3,030,853
Municipals	1,969,382	1,900,000	1,900,000	1,900,000
Canada Housing Trust	<u>55,695,422</u>	<u>52,250,000</u>	<u>53,469,123</u>	<u>49,543,862</u>
	<u>\$207,647,260</u>	<u>\$197,950,000</u>	<u>\$ 199,304,451</u>	<u>\$ 199,526,380</u>

4. Investments - Specific Estates and Trusts

	<u>2021</u>	<u>2020</u>
Term deposits, investment certificates and treasury bills	\$ 19,876,877	\$ 16,832,834
Government of Canada and other bonds	1,377,621	1,333,797
Shares of capital stock and mutual funds	12,494,024	12,321,195
Registered Disability Savings Plan Funds	<u>6,708,630</u>	<u>6,004,130</u>
	<u>\$ 40,457,152</u>	<u>\$ 36,491,956</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, 2021 (continued)

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.



