



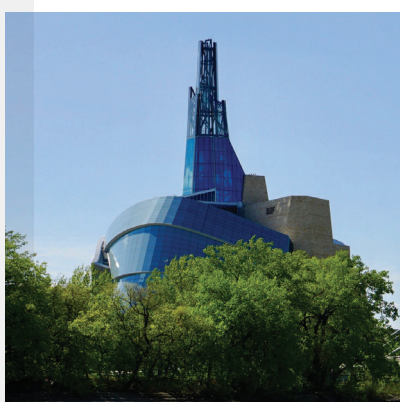
Public Guardian and Trustee of Manitoba

2021 - 2022

ANNUAL REPORT



2021 2022





**MINISTER
OF LABOUR, CONSUMER PROTECTION AND GOVERNMENT SERVICES**

Room 343
Legislative Building
Winnipeg, Manitoba R3C 0V8
CANADA

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, 2022.

Regards,

A handwritten signature in black ink that reads "Reg Helwer".

Honourable Reg Helwer
Minister of Labour, Consumer Protection and Government Services
Minister responsible for the Manitoba public service
Minister responsible for the Public Utilities Board





**MINISTRE
DU TRAVAIL, DE LA PROTECTION DU CONSOMMATEUR
ET DES SERVICES GOUVERNEMENTAUX**

Bureau 343
Palais législatif
Winnipeg (Manitoba) R3C 0V8
CANADA

Son Honneur l'honorable Janice C. Filmon, C.M., O.M.
Lieutenante-gouverneure du Manitoba
Bureau 235, Palais législatif
Winnipeg (Manitoba) R3C 0V8

Madame la Lieutenante-Gouverneure,

J'ai l'honneur de vous présenter, à titre d'information, le rapport annuel du Bureau du tuteur et curateur public, un organisme de service spécial, pour l'exercice se terminant le 31 mars 2022.

Veuillez agréer, Madame la Lieutenante-Gouverneure, l'expression de mon profond respect.

Monsieur Reg Helwer
Ministre du Travail, de la Protection du consommateur et des Services gouvernementaux
Ministre responsable de la fonction publique
Ministre responsable de la Régie des services publics





**Deputy Minister of Labour, Consumer Protection and
Government Services**

Room 349, Legislative Building
Winnipeg, Manitoba, Canada R3C 0V8
T 204 945-5703 F 204 948-4227

Honourable Reg Helwer
Minister of Labour, Consumer Protection and Government Services
Room 343 Legislative Building
Winnipeg, MB R3C 0V8

Dear Minister:

I submit for your consideration the Annual Report of the Public Guardian and Trustee Special Operating Agency for the fiscal year ending March 31, 2022. The results of the 2021/22 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,

Scott Sinclair
Deputy Minister of Labour, Consumer Protection and Government Services





Public Guardian and Trustee of Manitoba

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

Scott Sinclair
Deputy Minister of Labour, Consumer Protection and Government Services
Room 349 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, 2022.

Yours truly,

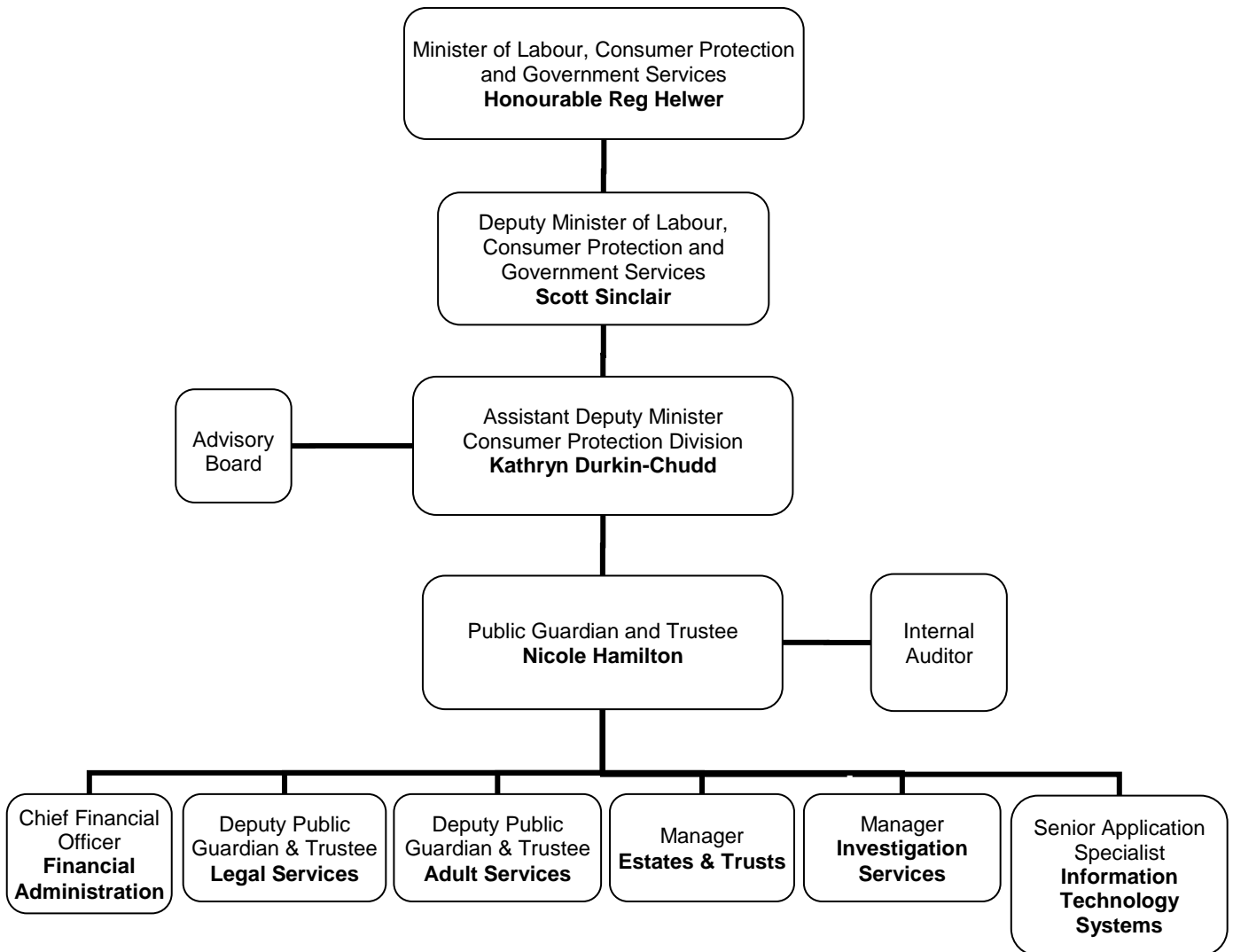
Nicole Hamilton
Public Guardian and Trustee



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Public Guardian and Trustee Organizational Chart March 31, 2022



A.

INTRODUCTION AND OVERVIEW



Message from the Public Guardian and Trustee

I am pleased to once again have the privilege of presenting the Annual Report of the Public Guardian and Trustee (PGT), this time for the 2021/22 fiscal year. I appreciate the opportunity to share about the PGT's services and to report on the past fiscal year, which was one of change, challenge and celebration for the PGT.

The PGT is an organization of essential service. Our offices are located in Winnipeg (main office) and in Brandon (where we have a small satellite office). We are appointed to make personal care decisions and manage finances for individuals who are not capable of doing so for themselves. We also manage trusts in certain situations (both for adults and minors) and administer deceased estates where there is no one else willing or able to carry out that role.

Many of the PGT's living clients are amongst the most vulnerable people in Manitoba. They become a client of the PGT as a result of either an intellectual disability or mental illness. However, those vulnerabilities are often complicated by factors such as substance abuse, homelessness, physical disability, having experienced one or more forms of abuse (such as emotional, sexual, physical or financial abuse), and/or having experienced historical discrimination. The presence of one or more of these factors can add significant complexity to the decision-making process involved in managing finances for our clients or in making personal care decisions for them. Our dedicated staff work tirelessly with our clients and any support systems that they may have in order to carry out the PGT's responsibilities and make decisions for them, always with the best interests of the clients being the focus.

The PGT is considered a last resort and should only be appointed where there is no one else appropriate, willing and able to carry out the required role. The PGT does not appoint itself or choose to be appointed; it is appointed through legislation, or by outside bodies or the court. Notwithstanding being a last resort, the PGT receives numerous appointments each year which has resulted in a consistent year-over-year increase in clients. As mentioned below and discussed in this Annual Report, 2021/22 was no exception to this historical trend.

As mentioned above, 2021/22 was a year of change for the PGT. One of those changes took place in January of 2022, when the PGT (previously part of the Department of Finance) moved (along with the rest of the Consumer Protection Division) to the newly created Department of Labour, Consumer Protection and Government Services. Other changes in 2021/22 included some internal organizational restructuring with the goal of better aligning the positions falling within the PGT's operational sections in order to achieve better efficiencies in client service delivery.

2021/22 was also a year of challenge. Throughout 2021/22, the PGT continued to experience the effects of the COVID-19 pandemic. While our doors remained open, our Winnipeg office operated with a staggered shift/partial remote work approach during five months of the fiscal year. This approach was designed to protect staff while ensuring uninterrupted client service delivery notwithstanding the ongoing pandemic. While it was successful, it was also challenging. During the first three months of 2021/22, staff continued to work a partial remote work schedule as they had been doing since late October of 2021;



staff were thankful to physically return to the office fulltime as of early July 2021, after more than nine months of partial remote work. Later in the fiscal year, the fifth wave of the pandemic necessitated a transition back to a partial remote work schedule for the months of January and February, 2022.

Separate from the challenge of partial remote work at the PGT during five months of 2021/22 were the continued COVID-19 personal challenges experienced by many of the PGT's clients and staff. These challenges included numerous necessary physical absences from the office for staff and the need to address further rounds of requests for vaccination consents on behalf of clients. At the same time as addressing these specific COVID-related challenges, the PGT continued to manage the consistent increase in client numbers and assets under its management (both in volume and complexity) that it has been experiencing year-over-year. The Annual Report further elaborates on this.

The above being said, at the same time as being a year of change and challenge, 2021/22 also presented the PGT with several occasions to celebrate. I have chosen to highlight three examples in this message.

The first example of an occasion to celebrate centres around the annual Socktober campaign that takes place province-wide each year, with the goal of collecting new socks for vulnerable people across Manitoba. With so many of the PGT's living clients being vulnerable, it was fitting that the PGT's staff came together throughout the month of October 2021 to collect socks as part of Socktober. With special thanks to staff member Shannon O'Brien who spearheaded this worthy cause at the PGT, 492 pairs of socks were collected from our staff! Those socks, along with 804 pairs collected by other areas of the Department of Finance made for a total of 1,296 pairs of socks which were delivered to Overdose Awareness Manitoba and from there, were distributed to various local organizations serving the needs of vulnerable people within Manitoba.

Another cause for celebration has been the continued efforts to add workflows and processes to the PGT's document management system, leveraging digital documents and processes with the goal of introducing new efficiencies and improving physical space constraints at the office. The PGT continues to strive toward eventually transitioning to a work environment that is as paperless as possible.

The PGT also had reason to celebrate in late 2021/22, upon receiving approval to add six staff positions in 2022/23, increasing the staff number from 73 to 79. With this news, the PGT was able to conclude the fiscal year looking forward to begin filling those positions. Once filled, the additional staff positions will help alleviate the existing workloads being managed by staff.



In closing, I want to acknowledge and thank the PGT Leadership Team (with whom I work closely to oversee the operations of the office) and all PGT staff. I am inspired each day by our staff's hard work, determination and perseverance. Our staff believe in the PGT's mission: to protect the interests of vulnerable Manitobans by providing professional and cost-effective guardian and trustee services of last resort that meet the needs of our clients. It truly is my honour and privilege to work with this team of people who have hearts of compassion and who not only care deeply about the clients they serve, but are dedicated to role that the PGT has in our clients' lives and situations. I look forward to continuing to work with this group in 2022/23, striving to deliver the best service possible to the clients, estates and trusts that the PGT serves.

Nicole Hamilton
Public Guardian and Trustee



RÉSUMÉ DES RÉALISATIONS DE 2021-2022



1. Tout au long de l'année 2021-2022, le Bureau du tuteur et curateur public a poursuivi la mise en œuvre des changements organisationnels et procéduraux qui s'imposaient pour s'adapter aux nouvelles technologies, notamment en tirant parti des documents numériques grâce à son système de gestion des documents. Il se réjouit de continuer dans cette direction au cours de l'année à venir, l'objectif étant de passer à un environnement de travail sans papier.
2. Après une période au cours de laquelle sa capacité à faire de la sensibilisation a été considérablement réduite en raison de la pandémie de COVID-19, le Bureau du tuteur et curateur public a repris le flambeau, entre autres avec cinq activités de formation différentes (un article de journal, un balado, une émission de radio et deux présentations virtuelles).
3. La demande de services auprès du Bureau du tuteur et curateur public ne cesse de croître depuis un certain temps, et l'année 2021-2022 n'a pas fait exception. Le nombre de clients est passé de 6 593 à la fin de 2020-2021 à 6 967 au 31 mars 2022, soit une hausse globale de 374 dossiers. Cette augmentation de la clientèle, entre autres constituée d'adultes dont les dossiers sont gérés par les Services aux adultes et les équipes affectées aux fiducies et aux successions, se reflète dans les statistiques suivantes :

<u>Division</u>	<u>Accroissement depuis</u> <u>2019</u>	<u>Accroissement depuis</u> <u>2013</u>
Bureau dans son ensemble	11 %	29,5 %
Services aux adultes	15,6 %	23 %
Successions et fiducies	11,6 %	39,5 %

L'augmentation du nombre de clients du Bureau et les exigences accrues en matière de gestion des cas qui en résultent, à la fois pour les Services aux adultes et les équipes affectées aux fiducies et aux successions, se répercutent sur toutes les autres divisions, qui apportent un soutien et doivent aussi composer avec une hausse de la demande.

4. Mais tout n'est pas que dur labeur au Bureau du tuteur et curateur public, comme en témoigne l'édition 2021-2022 du « Socktober », un événement fort plaisant qui se déroule partout dans la province en octobre de chaque année. Malgré l'occasion saisie de s'amuser un peu, force est de constater qu'il a fallu se mettre à l'ouvrage pour en assurer le succès! Au cours du mois d'octobre, 492 paires de chaussettes ont été recueillies auprès du personnel du Bureau du tuteur et curateur public. Ces



chaussettes ont été données à Overdose Awareness Manitoba, qui a veillé à leur distribution entre divers organismes qui aident des personnes vulnérables au Manitoba.

5. Le Bureau du tuteur et curateur public a continué de subir les répercussions de la pandémie sur ses opérations tout au long de l'année 2021-2022. Son personnel a été forcé de suivre un horaire de travail décalé et en partie à distance pendant plus de cinq mois (du 1^{er} avril au 12 juillet 2021 et du 5 janvier au 1^{er} mars 2022). Malgré les défis que cela pouvait poser, en plus de ceux entraînés par l'augmentation du nombre de clients, des demandes et de la complexité des dossiers, le personnel n'a pas perdu de vue les intérêts supérieurs de la clientèle et, tout au long de l'année, a continué à se dévouer pour lui fournir les services nécessaires et attendus.



Overview

The Public Guardian and Trustee (PGT), who has offices located in Winnipeg and Brandon, protects the interests of our clients by providing a variety of guardian and trustee services. As at March 31, 2022, we supported the needs of approximately 4,118 individuals and 2,849 estates and trusts, for a total of 6,967 clients, resulting in our management of approximately \$318M 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* (in which case the PGT is appointed to make personal care and property/financial decisions for a person who is unable to make those decisions for themselves);
- 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 in matters that are before the court;
- 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 for a person;
- 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 clients' financial resources;
- acting as executor or administrator of a deceased 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 that the PGT serves (its living clients as well as the estates and trusts being administered).

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

- As part of the Consumer Protection Division of the Department of Labour, Consumer Protection and Government Services (LCPGS), the PGT is accountable for its operational performance.
- 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 Auditor General audits the books and accounts of the PGT and reports the results of these audits to the Legislature and to The Special Operating Agencies Financing Authority.
- 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 upon the nomination of the Chair of the Advisory Board (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, 2022 the members of the Board were:

Chair	Kathryn Durkin-Chudd, Assistant Deputy Minister Consumer Protection Division	<i>ex officio</i>
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Members	Nicole Hamilton, Public Guardian and Trustee Public Guardian and Trustee Office	<i>ex officio</i>
	Kevin Funk, Chief Financial Officer Public Guardian and Trustee Office	<i>ex officio</i>
	Heidi Wurmman, Assistant Deputy Minister Department of Families	
	Michelle Samagalski, Trust Officer TD Wealth Private Trust	Private Sector
	Stephane Labossiere, Sr. Application Specialist 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 (Director) can issue an order appointing the PGT as Committee for someone who has been found to be incapable of managing their affairs as a result of a mental illness. The process starts with a doctor preparing a Certificate of Incapacity. The Director (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 client, the PGT 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 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 and the Commissioner decides whether a SDM appointment is appropriate, and the authorities to be given through the appointment. In that regard, 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.

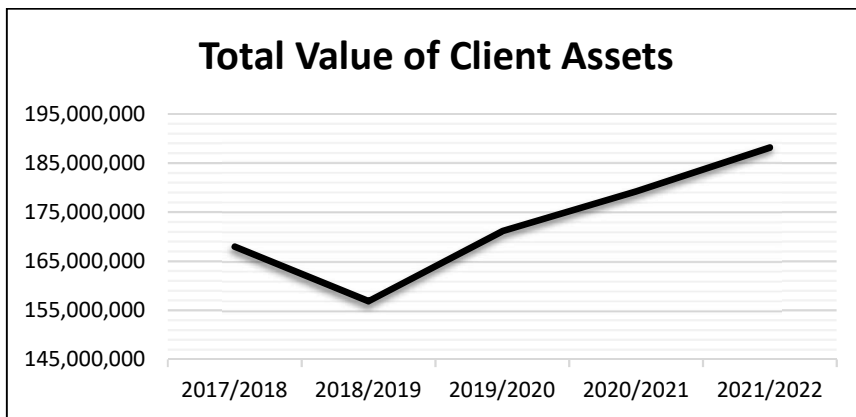
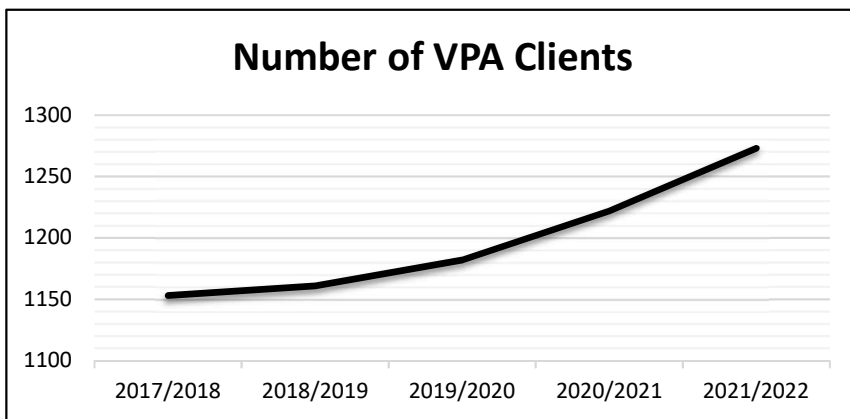
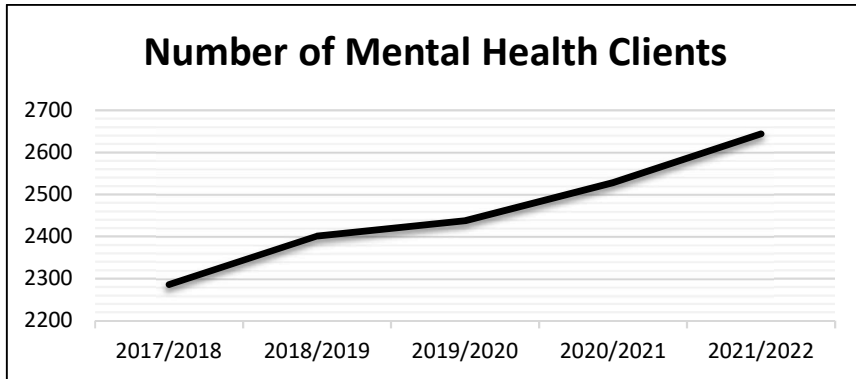
The Commissioner can choose to appoint the PGT as SDM. Once appointed, the PGT must act and continue to act until the appointment expires or a further appointment extending or ending the PGT's authority is issued by the Commissioner.

What services do we provide?

The services provided by the PGT as SDM depend on the appointment that is issued. The appointment can include financial matters as well as personal matters. The PGT respects 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, 2022**



Year	# of Mental Health Clients	# of VPA Clients	Total Value of Client Assets
2017/2018	2286	1153	\$167,980,541
2018/2019	2401	1161	\$156,869,918
2019/2020	2438	1182	\$171,084,518
2020/2021	2525	1222	\$179,220,791
2021/2022	2644	1273	\$188,170,174



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 they are discharged from the facility.

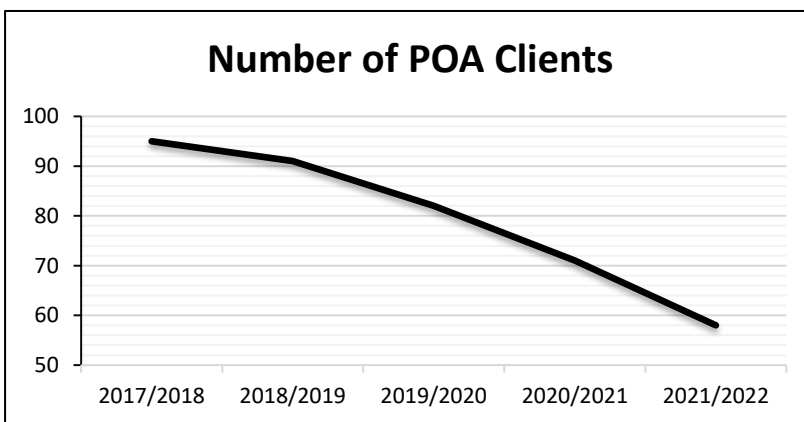
What services do we provide?

The role of the PGT will vary depending on the situation and the length of time the person impacted is subject to the order issued by the psychiatric facility. The order may limit the PGT's role to managing financial matters or may require the PGT 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 accepted appointments as attorney for competent adults when the adult had agreed to the PGT's terms of service. However, in order to better focus resources on core services that the PGT is 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 continue to receive service from the PGT.)

POA Activities for the year ending March 31, 2022



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. The PGT is an administrator of last resort and does not actively seek to administer estates.

The process to apply to court to be appointed as administrator of a deceased 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, the PGT is accountable to the court.

It is not always necessary to administer a deceased estate. If there are no assets, the value of the deceased's 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 does the PGT 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 the PGT 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 the PGT is Committee or SDM for a client who dies, the PGT continues to have a limited authority to manage the client's assets until an executor or administrator is appointed.
- The PGT receives 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 does the PGT provide as administrator or executor?

The PGT provides the same services that 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 estate assets 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. The PGT becomes 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 does the PGT 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 their own affairs.

What services does the PGT provide?

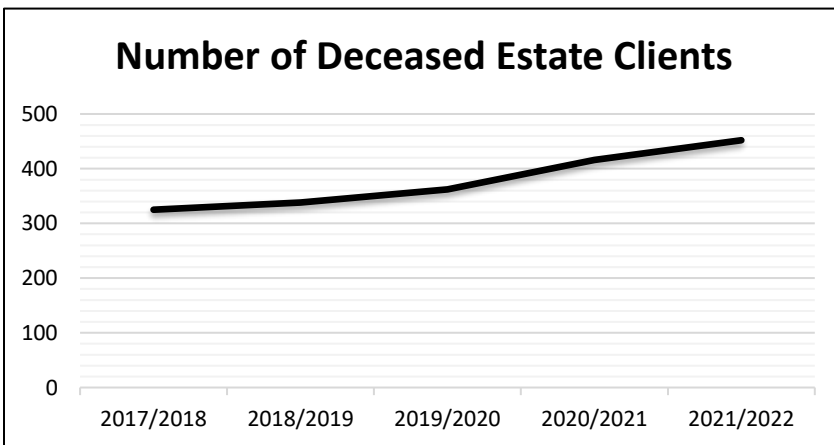
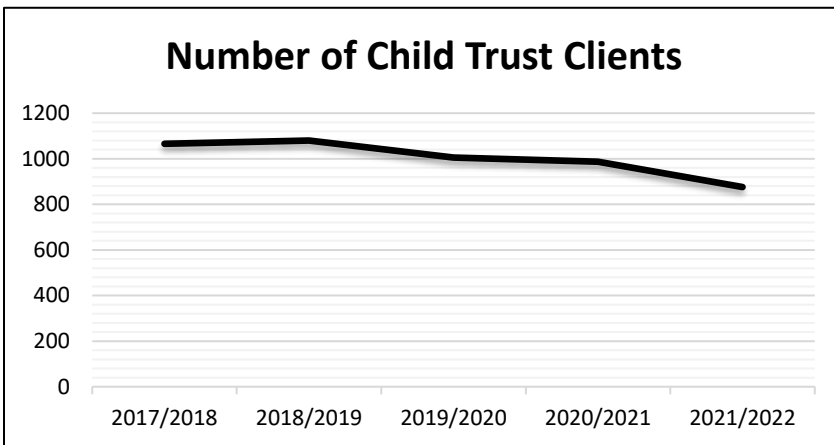
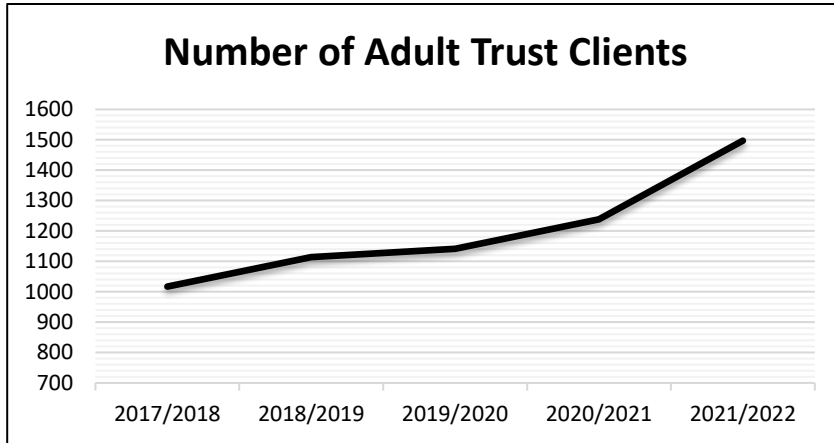
As is required of all trustees, the PGT must follow the instructions contained in the trust documents as well as in all applicable Manitoba laws, in order to do the following:

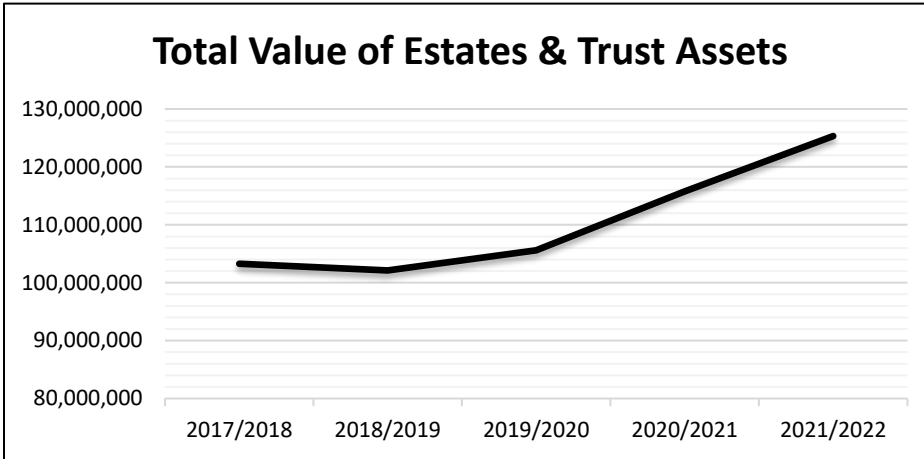
- protect the trust assets;
- invest money for the beneficiary of the trust;
- pay out money when appropriate for the beneficiary; and
- arrange for transfer of the trust to the child once the trust ends.

In cases where a child is the beneficiary of a trust, the PGT's 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. The PGT offers information and education about money management to the child prior to paying money to them and closing the trust.



Estates and Trusts
Activities for the year ending March 31, 2022





Year	# of Adult Trust Clients	# of Child Trust Clients	# of Estate Clients	Total Value of Assets
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
2021/2022	1497	876	452	\$125,323,113



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

Notwithstanding the continuation of the COVID-19 pandemic throughout 2021/22, staff of the PGT participated in delivering five educational sessions during the fiscal year:

Date	Location/Region	Group/Topic	Attendance
June 2021	Winnipeg and surrounding areas	CJNU 93.7 FM: Seniors’ Month Panel Discussion	Unknown
Oct. 27, 2021	Manitoba	Catholic Health Assn of Manitoba and Interfaith Healthcare Assn of Manitoba: PGT as Last Resort and the Role of the PGT Once Appointed (virtual presentation)	Unknown
Nov. 16, 2021	Winnipeg	Manitoba Bar Association Wills & Estates Subsection: “Issues Respecting Property Held for Minors” (virtual presentation)	60
Feb. 2022	Winnipeg and surrounding areas	Podcast – Fraud Prevention Awareness	Unknown
March 19, 2022	Winnipeg and surrounding areas	Winnipeg Free Press: “Money Matters” (article published in conjunction with Fraud Prevention Awareness)	Unknown



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. Committeeship: A Guidebook for Court Appointed Committees

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 Power of Attorney: A Guidebook for Donors and Attorneys

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 Information Guide for Seniors

This booklet provides estate planning information for seniors. It was produced through the cooperative efforts of the PGT and the (former) Manitoba Seniors and Healthy Aging Branch.

4. Deceased Estate 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. A Client Guide to the Public Guardian and Trustee's Adult Services Department

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 Provided by the PGT

The PGT provides 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.

Operational Sections of the PGT

The PGT is organized into the seven operational areas (sections). The manager of each area is a member of the PGT Leadership Team:

Operational Section	Section Lead/Manager (PGT Leadership Team)
Administration	Public Guardian and Trustee
Adult Services	Deputy Public Guardian and Trustee – Adult Services
Legal Services	Deputy Public Guardian and Trustee – Legal Services
Financial Administration	Chief Financial Officer
Estates and Trusts	Manager, Estates and Trusts
Investigation Services	Manager, Investigation Services
Information Technology Systems	Senior Application Specialist

While the PGT is organized into these operational sections, it is the combined efforts of each of these areas that allows the PGT to deliver service to the clients, estates and trusts under the PGT's care. A brief overview of each operational section follows.

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 (who oversees the PGT's overall operations)
- Internal Auditors
- Administrative Assistant

Adult Services

Managing the personal and financial affairs of living clients where the PGT has been appointed as Committee, SDM or attorney under a power of attorney, the Adult Services Section 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
- Benefits 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
- Estate Officers
- Administrative Assistants
- Trust Administration Clerk

Financial Administration

Performing a role similar to a trust company by managing finances, investments and financial transactions for the clients, estates and trusts served by the PGT, the Financial Administration Section is responsible for managing the PGT's operating revenues, expenditures and budget 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 and/or arrange services to/for the clients, estates and trusts that the PGT serves. 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, arranging and carrying out real estate and other legal transactions. This Section also provides legal advice to the PGT and acts for the PGT when the PGT is 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 Services
- Legal Counsel
- Administrative Assistants



Information Technology Systems (IT)

The PGT's IT Section manages and maintains existing IT systems used by the PGT and operates the PGT's Document Processing Centre. It is also actively involved in the acquisition and development of new IT systems. The IT Section includes:

- Senior Application Specialist
- Application Specialist
- Application Developer
- Information Systems Coordinator
- Document Processing Centre staff

Delegation of the PGT's Authority

The PGT is permitted by its legislation to delegate the delivery of services to other organizations. Delivery of specific types of services is delegated to organizations that have the expertise and are better positioned in the community to provide those services to the PGT's 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 the PGT has 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 and Specialized Services and the Executive Director of Regional Social 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



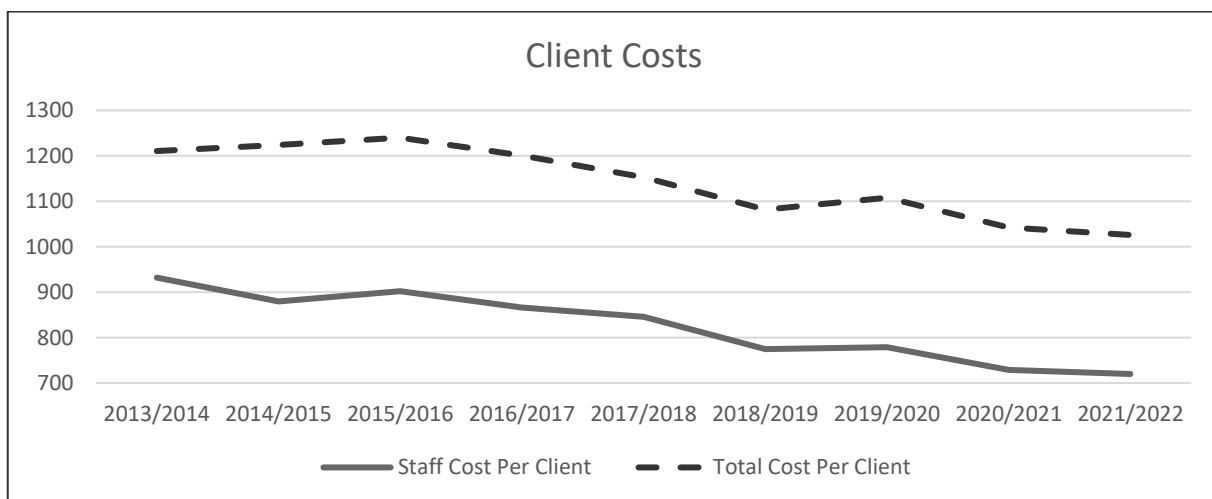
Performance Reporting

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 provided to the clients, estates and trusts that the PGT serves.

The PGT promotes a positive and supportive work environment, recognizing that while the work that the PGT does can be rewarding, it can also be both challenging and stressful. The PGT makes 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 / FTE
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
2021/2022	6,967	\$7,146	\$1,026	\$5,013	\$720	73	95



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

	2017-18	2018-19	2019-20	2020-21	2021-22
Assets under PGT administration	\$260	\$270	\$277	\$301	\$318



The increased number of clients being served by the PGT has resulted in increased caseloads being managed by the PGT's Adult Services Section, where caseloads are managed by Adult Services Administrators (ASAs) and by the Estates and Trusts Section, where caseloads are managed by Estate Officers (Officers). For the past three years, the average caseloads have increased as follows as at March 31st of each year:

	2020	2021	2022
Adult Services – Mental Health	190 files / ASA	194 files / ASA	197 files / ASA
Adult Services – VPA	296 files / ASA	302 files / ASA	332 files / ASA
Estates and Trusts	118 files / Officer	132 files / Officer	150 files / Officer

These increased caseloads affect all other Sections of the office. Each of the Investigation Services, Financial Administration, Legal Services, IT and Administration Sections (which work to support the Adult Services and Estates and Trusts Sections) experience increased demands as a result of the increased caseloads.

It is also worth noting that the consistent increase in deceased estates being administered by the PGT has lengthened the period of time required for the administration of an estate to take place. In the PGT's current operational environment, it is normal for administration of uncomplicated estates (where there are no heirship issues) to take a minimum of two to three years; more complicated estates can take longer (sometimes in excess of five years, depending on the level of complexity involved).

Given the PGT's ever-growing client numbers and resulting demands, the PGT looks forward to introducing six additional staff positions as of April 1, 2022. It is anticipated that those positions will assist the PGT to move toward a more right-sized organization (by aligning resources with demand).

Continuous Improvement

Notwithstanding the increased client demands, the PGT's dedicated staff continue to diligently serve the PGT's 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 made/experienced during the 2021/22 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). A DMS Steering Committee has been formed with various stakeholders in the office to guide the PGT's continued efforts in this regard with a view to aggressively move forward in this area.
- The COVID-19 pandemic continued to provide challenges when performing typical continuous improvement techniques such as Lean activities. Despite the challenges, however, our office continued to seek opportunities to streamline business processes and implement automation opportunities throughout the office.
- The PGT's record schedules continue to be reviewed and adapted to improve our ability to manage both physical records and electronic records in the



DMS. Changes are planned to our archiving area to improve safety and security while making physical record retrieval more efficient.

Technology

- In late 2021, the PGT welcomed the introduction of its ability to electronically pay vendors. Since then, the PGT has focused on continual addition of vendors to this service (thereby reducing the practice of payments through paper cheques). The PGT has continued to introduce improvements to this process, enabling electronic payments to be scheduled on a recurring basis (such as for monthly rent payments).
- The PGT has continued to work with its vendors to discuss and improve the format of invoices and other documents received by the PGT, thereby enabling the scanning technology in the PGT's Document Processing Centre to be better utilized. This will in turn enable further automation (in the DMS) of various document processing needs, such as payment of invoices.
- During the third quarter of 2021/22, scoping for the project(s) to replace the PGT's current legacy accounting and case management systems began. The scoping was well underway as of the end of the fiscal year and is expected to end in the Fall of 2022, following which the PGT will seek to move forward with implementation of the solutions identified through the scoping processes.
- As of March 31, 2022, the PGT was exploring upgrades to its Training Room in order to incorporate modern conferencing technology. This would allow the PGT to deliver an improved training experience for its staff (whether new staff or refresher training for existing staff). The PGT is considering possible similar boardroom upgrades.

Correcting Errors

We process close to 450,000 financial transactions each year. Although the vast majority of those transactions are completed accurately, the PGT ensures that the clients, estates and trusts that it administers are not impacted by any errors made by the PGT. Amounts paid to clients, estates and trusts in this regard during the year ending March 31, 2022 (most of which were as a result of minor errors) were as follows:

Reason for Payment	Amount (\$)
Reimburse client for safe keeping charges	168.00
Reimburse insurance charges paid in error	120.00
Reimburse cost of prescription drug claim denied by Blue Cross due to late submission	152.70
Reimburse for error (wrong suite prepared for vacate)	500.00
Preparation of T1 adjustment for client	180.00
Reimburse foot care costs (late insurance claim denied)	275.00
Reimburse overpayment of insurance charges	107.50



Missed medical insurance claim	680.00
Reimburse client for items stolen from Investigator's vehicle	291.93
Reimburse for cost of incorrect name requested on documents	197.07
Fee for Death Registration	65.00
Fee for Certificate of Judgment	109.00
Reimburse NSF Fees charged to client	30.00
Reimburse four months of internet charges	443.80
Reimburse late payment charges for storage of items	105.00
Missed medical insurance claim	424.00
Reimburse rent paid in error (Sept - Nov)	1,395.00
Reimburse for personal items	220.47
Pickup items and deliver to storage unit (closed account)	721.88
Reimburse costs of tax fees	29.40
Reimburse blanket insurance charge	25.00
Reimburse cost of title search done in error	27.00
	<hr/>
Total Amount Paid during fiscal 2020/21	\$6,267.75



Summary of Financial Results

PUBLIC GUARDIAN AND TRUSTEE SOA

Summary of Financial Results for the Fiscal Year Ending March 31, 2022

	Budget 21/22	Actual 21/22	Prior Year 20/21	Budget Variance
Total Revenue	7,605	8,484	8,229	11.56%
Salaries and Benefits	5,101	5,013	4,807	-1.73%
Employee Pension Costs	384	353	337	-8.07%
Accommodations	440	464	458	5.45%
Other Administrative Costs	1,255	1,242	1,190	-1.04%
Amortization	75	74	75	-1.33%
Total Expenses	7,255	7,146	6,867	-1.50%
Net Income (Loss)	350	1,338	1,362	



Internal Audit Report

1. File Reviews

Client files are typically reviewed within six months of file opening. During the year, 374 client files were opened, 144 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 conducts audits of other workflows and processes at the PGT and makes recommendations for policy, procedure and process enhancements with the purpose of reflecting current practices, reducing risks and improving efficiency. In 2021/22, certain workflows and processes of the PGT's Financial Administration Section were specifically reviewed by the Internal Auditor and reported on to the PGT.

3. Audit Program Changes

As the office continues to work toward reducing paper and switching to digital data formats, the PGT looks forward to implementing the audit forensics software purchased in 2020/21. The PGT anticipates further review of, and enhancements to, its audit program in order to best leverage the software going forward. The additional audits on electronic data that will be conducted utilizing the software 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)*.



E.

FINANCIAL STATEMENTS





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

**Financial Statements
March 31, 2022**



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 20, 2022. 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.



Nicole Hamilton
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, 2022, 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, 2022, 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 20, 2022

PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA
An Agency of the Province of Manitoba
Statement of Financial Position
As at March 31, 2022
(In Thousands)

	March 31, <u>2022</u>	March 31, <u>2021</u>
Financial assets		
Cash and cash equivalents (Note 5)	\$10,539	\$ 9,117
Portfolio investments (Note 10)	516	516
Accounts receivable (Note 6)	<u>1,380</u>	<u>1,325</u>
	<u>12,435</u>	<u>10,958</u>
Liabilities		
Accounts payable and accrued liabilities (Note 7)	678	605
Employee future benefits (Note 8)	<u>600</u>	<u>587</u>
	<u>1,278</u>	<u>1,192</u>
Net financial assets	<u>11,157</u>	<u>9,766</u>
Non-financial assets		
Prepaid expenses	17	15
Tangible capital assets (Note 9)	<u>158</u>	<u>213</u>
	<u>175</u>	<u>228</u>
Accumulated surplus	<u>\$11,332</u>	<u>\$ 9,994</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, 2022
(In Thousands)

	2022 <u>Budget</u> (Note 19)	2022 <u>Actual</u>	2021 <u>Actual</u>
Revenue			
Fees and other revenue (Note 12)	\$ 7,505	\$ 8,441	\$ 8,181
Investment income	<u>100</u>	<u>43</u>	<u>48</u>
Total revenue	<u>7,605</u>	<u>8,484</u>	<u>8,229</u>
Expenses			
Amortization of tangible capital assets (Note 9)	75	74	75
Accommodation costs (Note 11)	440	464	458
Other administration expenses (Note 13)	1,255	1,242	1,190
Salaries and benefits	5,101	5,013	4,807
Pension benefits (Note 14)	<u>384</u>	<u>353</u>	<u>337</u>
Total expenses	<u>7,255</u>	<u>7,146</u>	<u>6,867</u>
Annual surplus	350	1,338	1,362
Accumulated surplus, beginning of year	9,994	9,994	8,632
Accumulated surplus, end of year	<u>\$ 10,344</u>	<u>\$ 11,332</u>	<u>\$ 9,994</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, 2022
(In Thousands)

	2022 <u>Budget</u> (Note 19)	2022 <u>Actual</u>	2021 <u>Actual</u>
Annual Surplus	\$ 350	\$ 1,338	\$ 1,362
Tangible capital assets			
Acquisition of tangible capital assets	(50)	(20)	(17)
Amortization of tangible capital assets	<u>70</u>	<u>74</u>	<u>75</u>
Net change in tangible capital assets	<u>20</u>	<u>54</u>	<u>58</u>
Other non-financial assets			
Decrease (increase) in prepaid expenses	<u>0</u>	<u>(1)</u>	<u>1</u>
Net change in other non-financial assets	<u>0</u>	<u>(1)</u>	<u>1</u>
Net increase in net financial assets	370	1,391	1,421
Net financial assets, beginning of year	<u>9,766</u>	<u>9,766</u>	<u>8,345</u>
Net financial assets, end of year	<u>\$ 10,136</u>	<u>\$ 11,157</u>	<u>\$ 9,766</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, 2022
(In Thousands)

	<u>2022</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Cash provided by (applied to)		
Operating		
Annual surplus	\$ 1,338	\$ 1,362
Amortization of tangible capital assets	<u>74</u>	<u>75</u>
	1,412	1,437
 Changes in non-cash working capital balances:		
Accounts receivable	(55)	(77)
Accounts payable and accrued liabilities	73	59
Employee future benefits	13	8
Prepaid expenses	<u>(1)</u>	<u>1</u>
 Cash provided by operating activities	<u>1,442</u>	<u>1,427</u>
 Capital		
Acquisition of tangible capital assets	<u>(20)</u>	<u>(17)</u>
Cash applied to capital activities	<u>(20)</u>	<u>(17)</u>
 Net increase in cash	1,422	1,410
 Cash and cash equivalents		
Beginning of year	<u>9,117</u>	<u>7,707</u>
End of year	<u>\$10,539</u>	<u>\$ 9,117</u>
 Supplemental cash flow information		
Interest received	\$ <u>43</u>	\$ <u>48</u>

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



PUBLIC GUARDIAN AND TRUSTEE OF MANITOBA
An Agency of the Province of Manitoba
Notes to Financial Statements
March 31, 2022
(In Thousands)

1. Nature of organization

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

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

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

A Management Agreement between SOAFA and the Minister of 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 the Department of Labour, Consumer Protection and Government Services. 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, 2022, 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, 2022 (2021 - \$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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$10,539	\$ 9,117
Portfolio investments	516	516
Accounts receivable	<u>1,380</u>	<u>1,325</u>
	<u>\$12,435</u>	<u>\$10,958</u>

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

Accounts receivable: The Agency is not exposed to significant credit risk as the receivable is composed of fees due from 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, 2022 was as follows:

	Gross	Allowance
Current (note 6)	\$1,394	\$ 60
30-60 days past the billing date	-	-
61-90 days past the billing date	-	-
More than 90 days past the billing date	-	-
	<u>\$1,394</u>	<u>\$ 60</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>2022</u>	<u>2021</u>
Cash	\$ 5,039	\$ 4,417
Demand deposits	<u>5,500</u>	<u>4,700</u>
	<u>\$10,539</u>	<u>\$ 9,117</u>

6. Accounts receivable

	<u>2022</u>	<u>2021</u>
Fees receivable	\$ 1,394	\$ 1,331
Allowance for doubtful accounts	<u>(60)</u>	<u>(56)</u>
	1,334	1,275
Interest receivable	9	8
Advances to clients	31	36
Cost recoveries	<u>6</u>	<u>6</u>
	<u>\$ 1,380</u>	<u>\$ 1,325</u>

7. Accounts payable and accrued liabilities

	<u>2022</u>	<u>2021</u>
Operating expenses payable	\$ 269	\$ 207
Vacation entitlements earned	368	361
GST payable to Canada Revenue Agency	<u>41</u>	<u>37</u>
	<u>\$ 678</u>	<u>\$ 605</u>



8. Employee future benefits

	<u>2022</u>	<u>2021</u>
Severance benefits	\$ 505	\$ 492
Sick pay benefits	<u>95</u>	<u>95</u>
	<u>\$ 600</u>	<u>\$ 587</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, 2022 was \$630 (2021 - \$630). 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 \$57 (2021 – \$62).

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

	<u>2022</u>	<u>2021</u>
Balance beginning of year	\$ 630	\$ 637
Increase due to change in discount rate	-	-
Benefits accrued	20	20
Interest on accrued benefits	37	35
Severance paid	<u>(57)</u>	<u>(62)</u>
Accrued benefit liability	630	630
Less: unamortized actuarial losses	<u>(125)</u>	<u>(138)</u>
Severance benefit liability	<u>\$ 505</u>	<u>\$ 492</u>

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

	<u>2022</u>	<u>2021</u>
Interest on obligation	\$ 20	\$ 20
Employer service cost	37	35
Amortization of actuarial loss over EARSL	<u>0</u>	<u>0</u>
Total expense related to severance benefits	<u>\$ 57</u>	<u>\$ 55</u>



Significant long-term actuarial assumptions used in the March 31, 2017 valuation, and in the determination of the March 31, 2022 present value of the accrued severance benefit obligation were:

	<u>2022</u>	<u>2021</u>
Discount rate	3.20%	3.20%
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 2022 value \$95 (2021 - \$95).

9. Tangible capital assets

	2022			
	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Closing Balance</u>
Cost				
Furnishings and equipment	\$ 345	\$ -	\$ -	\$ 345
Computer hardware and software	133	-	-	133
Document management	326	20	-	346
Leasehold improvements	124	-	-	124
Total cost	<u>\$ 928</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 948</u>
Accumulated amortization				
Furnishings and equipment	\$ 333	\$ 3	\$ -	\$ 336
Computer hardware and software	127	2	-	129
Document management	136	66	-	202
Leasehold improvements	119	4	-	123
Total accumulated amortization	<u>\$ 715</u>	<u>\$ 75</u>	<u>\$ -</u>	<u>\$ 790</u>
Net book value	<u>\$ 213</u>	<u>\$ 55</u>	<u>\$ -</u>	<u>\$ 158</u>



	2021			
	<u>Opening Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Closing Balance</u>
Cost				
Furnishings and equipment	\$ 345	\$ -	\$ -	\$ 345
Computer hardware and software	133	-	-	133
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>

10. Designated portfolio investments

Portfolio investments consist of designated assets and non-redeemable investments and guaranteed investment certificates. The Agency has allocated \$516 (2021 - \$516) 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 \$1 (2021 - \$4)

11. Commitments

The Agency has an arrangement with the Province of Manitoba, through the Department of Labour, Consumer Protection and Government 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 \$464 for the year ended March 31, 2022. The lease is held by Department of Labour, Consumer Protection and Government Services and there is no fixed term.

12. Fees and other revenue

	<u>2022</u>	<u>2021</u>
Administration	\$ 7,389	\$ 7,056
Legal fees	379	381
Income taxes	371	402
Inspection	<u>302</u>	<u>342</u>
	<u>\$ 8,441</u>	<u>\$ 8,181</u>



13. Other administration expenses

	<u>2022</u>	<u>2021</u>
Computer expenses	\$ 785	\$ 744
Courier charges	8	6
Insurance, loss, damage	95	39
Office supplies	70	82
Other	-	-
Personnel expenses	19	23
Photocopies	1	-
Postage	69	76
Professional fees	49	71
Publications	-	1
Public communications	5	1
Records Centre charges	31	31
Rentals, equipment	1	2
Repairs and maintenance	27	10
Support services – Human Resources	-	21
Telephone	50	51
Travel	<u>32</u>	<u>32</u>
	<u>\$ 1,242</u>	<u>\$ 1,190</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 \$353 (2021 - \$337). 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 \$142 (2021 - \$268). These amounts are not reflected in these financial statements.



17. Estates and trusts under administration

The client assets under administration at March 31, 2022 totaled approximately \$318,000 (2021 - \$301,000). 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, 2022**

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 20, 2022. 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.



Nicole Hamilton
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, 2022, 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, 2022, 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 20, 2022

GOVERNMENT OF THE PROVINCE OF MANITOBA

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

Balance Sheet
as at March 31, 2022

ASSETS	2022	2021
Cash on hand and in bank	\$ 18,747,147	\$ 35,194,326
Investments - Common Fund (Notes 2(a) and 3)	228,161,007	199,304,451
- Specific Estates and Trusts (Notes 2(b) and 4)	42,667,266	40,457,152
Accrued interest receivable on common fund investments (Note 2(a))	1,357,421	1,381,695
Real estate (Note 2(c))	26,715,009	24,602,688
Other assets at nominal value (Note 2(d))	<u>1</u>	<u>1</u>
	<u>\$317,647,851</u>	<u>\$300,940,313</u>
 LIABILITIES		
Other liabilities at nominal value (Note 2(f))	\$ 1	\$ 1
Mortgages Payable (Note 2(e))	3,460,382	2,220,669
Public Guardian and Trustee- Fees payable (Note 1)	197,272	245,054
- Expenditures payable (Note 5)	<u>29,265</u>	<u>33,767</u>
	<u>3,686,920</u>	<u>2,499,491</u>
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
<i>The Mental Health Act</i>	188,170,174	181,150,652
<i>The Public Guardian and Trustee Act</i>	<u>125,790,757</u>	<u>117,290,170</u>
	<u>\$317,647,851</u>	<u>\$300,940,313</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, 2022

RECEIPTS	2022	2021
Funds held by estates and trusts brought under administration	\$ 20,155,741	\$ 20,837,152
Realization of equities in other estates	2,907,798	3,780,182
Pensions, compensation and assistance	43,779,233	42,154,061
Sickness, disability and other insurance benefits	7,265,507	7,570,585
Investment income	5,451,965	5,424,425
Sale of estate property	9,795,716	5,817,904
Collections on accounts receivable	<u>4,126,696</u>	<u>5,756,293</u>
Total receipts, before sale or redemption of securities	93,482,656	91,340,602
Sale and redemption of securities - Common Fund	24,500,000	16,000,000
Sale and redemption of securities - Specific Estates and Trusts	<u>3,735,911</u>	<u>7,236,529</u>
Total Receipts	<u>121,718,567</u>	<u>114,577,131</u>
DISBURSEMENTS		
Room, board and other maintenance expense	35,156,430	33,660,306
Preservation of estates	7,868,072	6,197,521
Other estate expense	2,108,713	2,265,069
Administration and passing of accounts (Note 1)	7,859,102	7,601,047
Estates and trusts released from administration	<u>30,681,497</u>	<u>26,715,548</u>
Total disbursements, before purchase of securities	<u>83,673,814</u>	<u>76,439,491</u>
Purchase of securities - Common Fund	54,130,300	16,532,890
Purchase of securities - Specific Estates and Trusts	<u>361,632</u>	<u>616,998</u>
Total Disbursements	<u>138,165,746</u>	<u>93,589,379</u>
Excess cash receipts (disbursements)	(16,447,179)	20,987,752
Cash position at start of year	<u>35,194,326</u>	<u>14,206,574</u>
Cash position at end of year	<u>\$ 18,747,147</u>	<u>\$ 35,194,326</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, 2022

1. Role and Objective

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

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

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

2. Significant Accounting Policies

Basis of Accounting

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

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



- vii. mortgages payable are recorded at the balance owing by the client estate as stated on the third party mortgage statement at the respective period end or using most recent mortgage statement with supporting payments or advances to the reporting period end date
- viii. other assets and liabilities are recorded at nominal value

Statement of Cash Receipts and Disbursements

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

Balance Sheet

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

a) Investments - Common Fund

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

b) Investments - Specific Estates and Trusts

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

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

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

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

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

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, 2021 and 2022 all government contributions have been recorded at a nominal amount of \$1 as vesting conditions have not been met.



c) Real estate

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

d) Other Assets

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

e) Mortgages Payable

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

f) Other Liabilities

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

3. Investments - Common Fund

	2022 <u>Market Value</u>	2022 <u>Par Value</u>	2022 <u>Book Value</u>	2021
Term deposits & investment certificates	\$ 20,000,000	\$ 20,000,000	\$ 20,000,000	\$ 12,000,000
Alberta Capital Finance	27,493,039	27,600,000	27,782,205	27,856,274
Province of B.C.	10,290,242	10,200,000	10,310,794	10,350,949
Province of Manitoba	42,741,355	42,500,000	42,909,141	42,337,697
Province of Quebec	20,116,506	20,000,000	20,103,450	25,287,702
Province of Ontario	14,059,313	14,000,000	14,227,950	10,167,088
Province of New Brunswick	1,952,015	2,000,000	1,955,326	1,947,011
Province of Newfoundland	2,980,886	3,000,000	2,956,794	2,943,175
Province of Nova Scotia	0	0	0	8,018,880
Province of Saskatchewan	2,997,089	3,000,000	3,022,250	3,026,551
Municipals	1,848,672	1,900,000	1,900,000	1,900,000
National Bank of Canada	21,656,500	22,500,000	22,500,000	0
Canada Housing Trust	<u>59,929,515</u>	<u>60,250,000</u>	<u>60,493,097</u>	<u>53,469,123</u>
	<u>\$ 226,065,132</u>	<u>\$ 226,950,000</u>	<u>\$ 228,161,007</u>	<u>\$ 199,304,451</u>



4. Investments - Specific Estates and Trusts

	<u>2022</u>	<u>2021</u>
Term deposits, investment certificates and treasury bills	\$ 19,317,984	\$ 19,876,877
Government of Canada and other bonds	1,378,822	1,377,621
Shares of capital stock and mutual funds	14,509,580	12,494,024
Registered Disability Savings Plan Funds	<u>7,460,880</u>	<u>6,708,630</u>
	<u>\$ 42,667,266</u>	<u>\$ 40,457,152</u>

5. Expenditures Payable to the Public Guardian and Trustee

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



