

9. Tangible capital assets

	2020			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Furnishings and equipment	\$ 346	\$ 7	\$ -	\$ 353
Computer hardware and software	125	-	-	125
Document management	175	134	-	309
Leasehold improvements	124	-	-	124
Total cost	\$ 770	\$ 141	\$ -	\$ 911
Accumulated amortization				
Furnishings and equipment	\$ 326	\$ 4	\$ -	\$ 330
Computer hardware and software	124	1	-	125
Document management	23	50	-	73
Leasehold improvements	107	6	-	113
Total accumulated amortization	\$ 580	\$ 61	\$ -	\$ 640
Net book value	\$ 190	\$ 81	\$ -	\$ 270

	2019			
	Opening Balance	Additions	Disposals	Closing Balance
Cost				
Furnishings and equipment	\$ 343	\$ 3	\$ -	\$ 346
Computer hardware and software	125	-	-	125
Document management	19	156	-	175
Leasehold improvements	123	1	-	124
Total cost	\$ 610	\$ 160	\$ -	\$ 770
Accumulated amortization				
Furnishings and equipment	\$ 321	\$ 5	\$ -	\$ 326
Computer hardware and software	123	1	-	124
Document management	5	18	-	23
Leasehold improvements	101	6	-	107
Total accumulated amortization	\$ 550	\$ 30	\$ -	\$ 580
Net book value	\$ 60	\$ 130	\$ -	\$ 190

10. Designated portfolio investments

Portfolio investments consist of designated assets and non-redeemable investments and guaranteed investment certificates. The Agency has allocated \$515 (2019 - \$515) of its portfolio investments as designated assets for cash received from the Province of Manitoba as settlement for the severance pay benefits accumulated to March 31, 1998 for certain of its employees. This amount is held in an interest bearing account. Any unused balance is re-invested annually. Funds are to be used for payments to employees for their outstanding severance pay amounts. Interest during the year amounted to \$8 (2019 - \$9)



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

**Financial Statements
March 31, 2020**



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 August 26, 2020. The financial information presented elsewhere in the Annual Report is consistent with that in the financial statements.

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

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

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

Original Document Signed

Jana Taylor
Acting 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, 2020, 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, 2020, 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.

A handwritten signature in cursive script that reads "Office of the Auditor General".

Office of the Auditor General
Winnipeg, Manitoba
August 26, 2020



GOVERNMENT OF THE PROVINCE OF MANITOBA

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

Balance Sheet
as at March 31, 2020

ASSETS	2020	2019
Cash on hand and in bank	\$ 14,206,575	\$ 10,734,661
Investments - Common Fund (Notes 2(a) and 3)	199,526,380	197,643,082
- Specific Estates and Trusts (Notes 2(b) and 4)	36,491,956	34,904,379
Accrued interest receivable on common fund investments (Note 2(a))	1,299,650	1,360,698
Real estate (Note 2(c))	25,769,599	25,623,098
Other assets at nominal value (Note 2(d))	<u>1</u>	<u>1</u>
	<u>\$277,294,161</u>	<u>\$270,265,919</u>
 LIABILITIES		
Other liabilities at nominal value (Note 2(f))	\$ 1	\$ 1
Mortgages Payable (Note 2(e))	2,349,851	2,007,696
Public Guardian and Trustee- Fees payable (Note 1)	282,678	290,051
- Expenditures payable (Note 5)	<u>44,618</u>	<u>27,226</u>
	<u>2,677,148</u>	<u>2,324,974</u>
Estates and trusts under administration:		
Excess of recorded value of assets over liabilities		
<i>The Mental Health Act</i>	168,468,022	164,949,728
<i>The Public Guardian and Trustee Act</i>	<u>106,148,990</u>	<u>102,991,217</u>
	<u>\$277,294,160</u>	<u>\$270,265,919</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, 2020

RECEIPTS	2020	2019
Funds held by estates and trusts brought under administration	\$ 14,433,843	\$ 14,956,192
Realization of equities in other estates	3,746,691	3,531,651
Pensions, compensation and assistance	40,998,799	39,476,746
Sickness, disability and other insurance benefits	7,844,717	13,164,543
Investment income	5,700,537	5,136,578
Sale of estate property	6,744,808	6,591,886
Collections on accounts receivable	<u>2,604,881</u>	<u>2,599,144</u>
Total receipts, before sale or redemption of securities	82,074,276	85,456,740
Sale and redemption of securities - Common Fund	21,750,000	41,500,000
Sale and redemption of securities - Specific Estates and Trusts	<u>4,738,844</u>	<u>4,829,453</u>
Total Receipts	<u>108,563,120</u>	<u>131,786,193</u>
DISBURSEMENTS		
Room, board and other maintenance expense	35,585,801	34,466,687
Preservation of estates	6,027,957	7,493,709
Other estate expense	2,319,879	2,030,622
Administration and passing of accounts (Note 1)	7,237,460	7,454,787
Estates and trusts released from administration	<u>29,384,083</u>	<u>31,962,210</u>
Total disbursements, before purchase of securities	<u>80,555,180</u>	<u>83,858,015</u>
Purchase of securities - Common Fund	24,014,336	54,458,552
Purchase of securities - Specific Estates and Trusts	<u>521,689</u>	<u>486,616</u>
Total Disbursements	<u>105,091,206</u>	<u>138,803,183</u>
Excess cash receipts (disbursements)	3,471,914	(7,016,900)
Cash position at start of year	<u>10,734,661</u>	<u>17,751,661</u>
Cash position at end of year	<u>\$ 14,206,575</u>	<u>\$ 10,734,661</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, 2020

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, 2019 and 2020 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

	2020 <u>Market Value</u>	2020 <u>Par Value</u>	2020 <u>Book Value</u>	2019
Term deposits & investment certificates	\$ 12,000,000	\$ 12,000,000	\$ 12,000,000	\$ 7,000,000
Alberta Capital Finance	42,723,762	41,600,000	41,927,707	53,652,680
Province of B.C.	11,100,693	10,200,000	10,391,104	16,446,115
Province of Manitoba	38,924,835	37,000,000	37,297,475	20,880,787
Province of Quebec	21,521,178	20,000,000	20,215,890	20,272,263
Province of Ontario	10,493,191	10,000,000	10,219,384	3,985,909
Province of New Brunswick	2,062,323	2,000,000	1,938,695	7,942,295
Province of Newfoundland	3,092,975	3,000,000	2,929,557	2,915,900
Province of Nova Scotia	8,411,454	8,000,000	8,131,853	8,245,135



Province of Saskatchewan	3,180,847	3,000,000	3,030,853	3,035,166
Municipals	1,949,449	1,900,000	1,900,000	1,900,000
Canada Housing Trust	<u>52,105,667</u>	<u>49,250,000</u>	<u>49,543,862</u>	<u>51,369,832</u>
	<u>\$207,566,375</u>	<u>\$197,950,000</u>	<u>\$199,526,380</u>	<u>\$197,643,082</u>

4. Investments - Specific Estates and Trusts

	<u>2020</u>	<u>2019</u>
Term deposits, investment certificates and treasury bills	\$ 16,832,834	\$ 17,166,389
Government of Canada and other bonds	1,333,797	1,339,599
Shares of capital stock and mutual funds	12,321,195	10,995,361
Registered Disability Savings Plan Funds	<u>6,004,130</u>	<u>5,403,030</u>
	<u>\$ 36,491,956</u>	<u>\$ 34,904,379</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.



