

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE

ANNUAL REPORT 2020-21



MINISTRY OF THE ATTORNEY GENERAL

Ontario 

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Message from Ontario's Public Guardian and Trustee

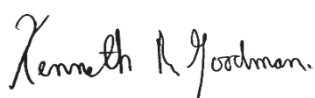
I am pleased to present the Annual Report of the Office of the Public Guardian and Trustee for the period of April 1, 2020 to March 31, 2021.

As we started the year, the organization was experiencing the first wave of COVID-19 and the emergency declaration across the province. The pandemic impacted all aspects of our operations both client-facing and behind the scenes.

I am extremely proud of the way this organization responded, adapted, and maintained vital services in this unprecedented time. Despite the unique challenges of maintaining services during a pandemic (like keeping our offices open and ensuring that client finances were properly managed including facilitating access to funds, paying bills, and protecting assets), we continued to take on new cases, conduct in-person investigations and make a record number of vaccination decisions. We also lent our expertise to help develop provincial policy changes allowing courts to do more work electronically, enable remote witnessing of wills and powers of attorney, and ensure access to charitable trusts. [Pages 23-24](#) are dedicated to acknowledging the experiences of our staff members, the extra efforts that were made and how the organization responded.

Not only did this organization withstand the constant change of the past year – it thrived. We adapted to new ways of working and maintained momentum on our modernization projects, reaching significant milestones in data management improvement and successfully launching a contact centre pilot – you can read more on [pages 10-12](#). The OPGT continues to respond to the 2018 Value for Money audit of our operations conducted by the Office of the Auditor General of Ontario, which guides the organization's key strategic decisions today. We thank our Investment Advisory Committee, Guardianship Advisory Committee and Audit Committee members, and government partners for continued service and extraordinary contributions in 2021.

The positivity, resilience and unwavering compassion that staff members across the organization have for our diverse clients allowed us to weather the pandemic so far. I am confident that with the continued energy and support of our partners, this organization will emerge from the pandemic stronger and better positioned for whatever comes next.

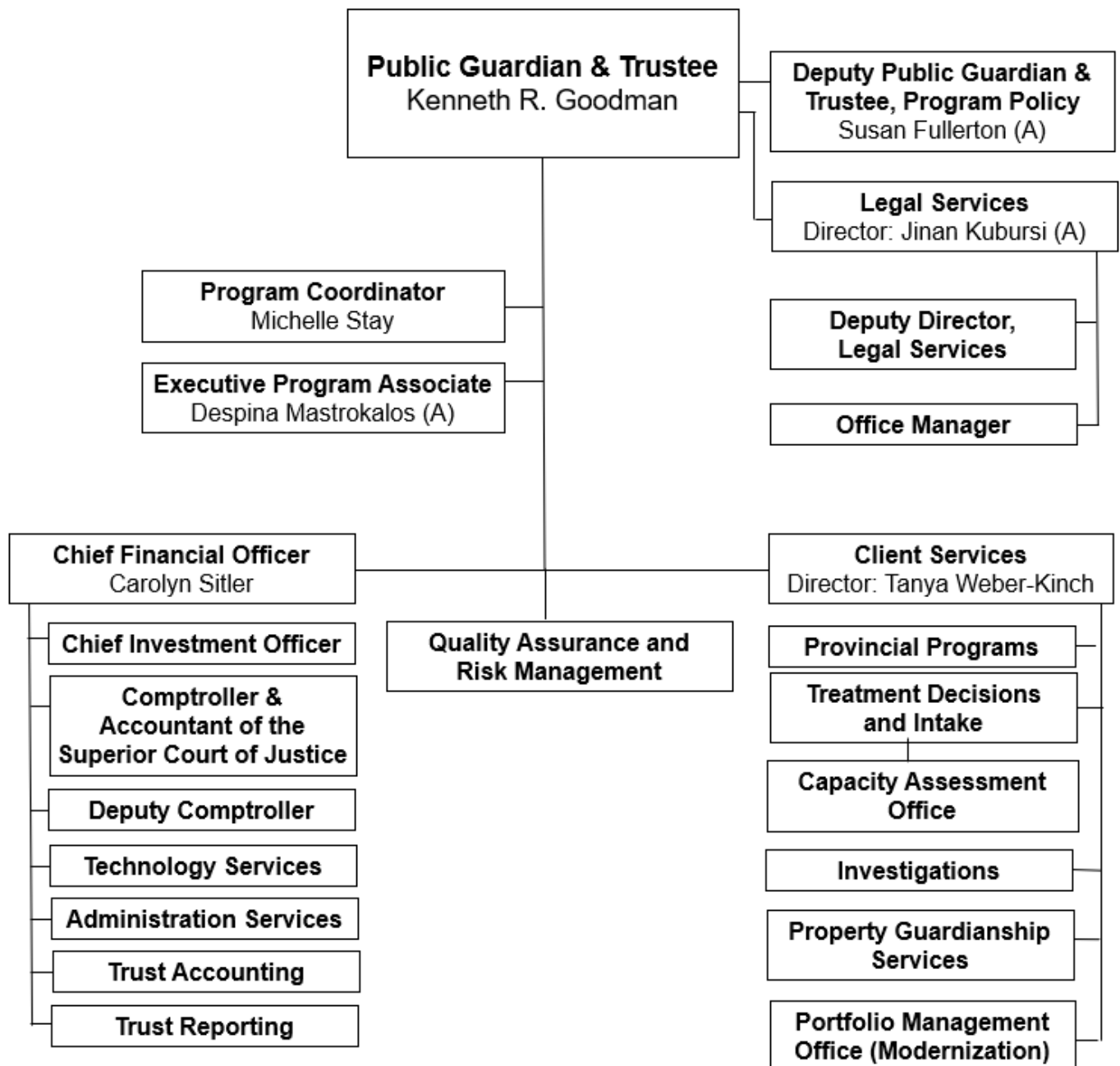


Kenneth R. Goodman
Public Guardian and Trustee for Ontario

Organizational Structure

The Office of the Public Guardian and Trustee (OPGT) was created as an organization that is legally independent from government (a corporation sole) because many of its functions involve acting on behalf of individuals, in a fiduciary role as trustee. The OPGT currently operates as a program of the Ministry of the Attorney General, as part of the Victims and Vulnerable Persons Division.

The Public Guardian and Trustee (PGT) delegates the authority and responsibilities of the position to staff members. As staff are acting under the authority of the appointed PGT, in this report we refer to our activities as being delivered by the OPGT.



About the Office of the Public Guardian and Trustee

The OPGT delivers a unique and diverse range of services through several specialized units within the organization that safeguard the legal, personal and financial interests of mentally incapable individuals and certain estates. OPGT services are described throughout this report.

The role of OPGT is of last resort when there is no other person, such as a relative, who is available, capable and willing to act. In this important role, we protect some of the most vulnerable Ontarians who lack the capacity to make decisions about their finances and health.

OPGT services are offered across Ontario. Offices are in Toronto, Hamilton, London, Ottawa, Sudbury and Thunder Bay.

Working together, protecting our clients and the public good, we:

Manage financial decisions that incapable people would otherwise handle, as guardian of property	Investigate allegations an individual may be at risk of serious financial or personal harm as a result of incapacity	Make decisions regarding personal care, treatment and admission to long-term care
Hold funds in trust with the Accountant of the Superior Court of Justice	Administer certain estates where there is no one else capable of doing so	Act as Litigation Guardian or Legal Representative in legal proceedings
Review applications from family/partners to replace the OPGT	Keep a register of all appointed Guardians of property and personal care	Review accounts from private guardians of property
Work to protect the public interest in charitable property	Maintain trust accounts for cemeteries	Provide public education and free power of attorney kits

The duties and powers as a fiduciary and prudent investor, as a guardian of property and throughout the services provided by the OPGT, are exercised and performed diligently, with honesty and integrity and in good faith.

The OPGT administers approximately \$2.3 billion in assets for more than 59,000 individual accounts. These assets are held on behalf of the following client groups:



The financial and business practices, policies and procedures established at the OPGT are governed and in accordance with various pieces of legislation, namely:

- *Public Guardian and Trustee Act*
- *Substitute Decisions Act, 1992*
- *Health Care Consent Act*
- *Mental Health Act*
- *Charities Accounting Act*
- *Religious Organizations' Land Act*
- *Crown Administration of Estates Act*
- *Escheats Act*
- *Estates Act*
- *Trustee Act*

MISSION	Working together, we value and protect our clients.	GUIDING PRINCIPLES
Protect the value of property and promote the quality of life for those we serve, in a cost-effective way to the benefit of all Ontarians.	VISION	Accountable • Creative Effective • Honest Respectful • Informative

Public Education

The OPGT responds to general inquiries from the public and presents at outreach and education sessions for Ontarians annually. Outreach sessions are conducted to increase the awareness of the OPGT's services for the public, service partners, and stakeholders, on issues such as mental incapacity, guardianship processes and powers of attorney. The OPGT provides a first point of contact for clients, public and stakeholders for general information on these topics. A suite of brochures, including an improved power of attorney kit, is maintained on Publications Ontario. The Ontario.ca website provides general information and OPGT's education activities include outreach sessions – with a total of 34 outreach sessions held virtually across the province this reporting year.

For more detailed information about the programs offered by the OPGT please visit our website at www.ontario.ca/opgt.

Staff Training

A dedicated unit is responsible for establishing policy, procedures and training curriculum to be delivered to new and existing staff. This unit maintains relationships with internal units and external stakeholders and advises staff of policy and procedure changes as well as distributes reminders and key updates on stakeholders, special projects and training opportunities.

During the pandemic, the existing training curriculum was converted to on-line modules and trainer-led sessions were employed virtually through Adobe Connect, Zoom and Microsoft Teams for continuous onboarding and training of new and existing staff. In addition, new training curriculum was developed and delivered for the new contact centre positions.

In the 2020-21 fiscal year:

- ✓ 403.5 hours of staff training was delivered to new staff
- ✓ 51 bulletins were distributed to staff in client services
- ✓ 98 wellness tips were issued
- ✓ 5 wellness training sessions were hosted to support staff as they continued to navigate the ever-changing surroundings and impacts of the pandemic

Modernization Continues to Move Forward

The OPGT's 2018-19 strategic plan aligns with the government's direction towards building simpler, faster and better government services and maintaining fiscal accountability for the people of Ontario. The modernization project is part of the strategic plan and represents replacing current legacy I&IT systems with modern and integrated case, financial and document management systems, improving data management capabilities across the organization, implementing a contact centre to help improve client services and promoting the responsible use of powers of attorney.

Key accomplishments this year include:

- ✓ **Launch of Contact Centre Pilot:** The OPGT Contact Centre was launched in November 2020 with a manager and four contact centre representatives receiving calls for London Property Guardianship Services and the Toronto Estates Administration unit. In March 2021, two additional staff members were added as the program expanded to include general enquiry topics such as mental incapacity and the capacity assessment process and powers of attorney. Between November 2020 and March 2021, staff at the contact centre answered 23,938, resolving 9,262 without having to transfer them deeper into the organization. The contact centre pilot is scheduled to expand throughout 2021 with a goal of ensuring callers reach a live voice within two minutes.
- ✓ **A Solid Foundation for Data Management Maturity:** A Data Management Council has been established to move initiatives forward, including implementation of the new data management strategy. In addition, OPGT developed and launched a series of data management education videos to establish a base level of understanding of the importance of data management to the organization.
- ✓ **A Plan for Modern Business Tools:** Numerous milestones in the replacement of legacy financial, case and document management systems were passed including essential consultation with I&IT experts across the Ontario Public Service. A procurement plan was developed and will include the use of a Fairness Commissioner to



help ensure that the competitive process is open, transparent and fair. RFP Solutions, a company that specializes in assisting organizations with procurement processes, was selected and started work in March 2021.

- ✓ **Raising Public Awareness:** The OPGT power of attorney kit underwent significant user experience review to find ways to make it as easy to use as possible. As a result, the old two-column format was tweaked in favour of bulleted lists, hover-over definitions, and a fill-save-print PDF. To help OPGT's audiences easily access and understand the information they are seeing, the suite of 14 brochures underwent a visual refresh. All products, including OPGT's Annual Report, are available via Publications Ontario. In addition, the 2019 attitudes and perceptions public research findings about POA myths and misconceptions are being used to improve materials and focus our public education efforts. For example, a suite of educational videos currently under development will convey facts about POAs and encourage action in a visually engaging way.



The organization is proud to have moved numerous modernization initiatives forward during an unprecedented year. Looking forward, the coming year will be focused on beginning to implement the new suite of business tools, making final decisions on the success of the contact centre pilot and continuing the work to expand awareness of the organization and the importance of powers of attorney.

Primary Services: Protecting Incapable Adults

Client story: OPGT intervention and investments keep a client in his home

Miles came to the OPGT at the referral of the Centre for Addiction and Mental Health at 52 years old. Single, with no dependents, Miles owned his home. Sadly, he fell victim to gang interference and large-scale theft. By the time the OPGT got involved, he had already lost \$80,000.



During the first year as an OPGT client, the gang members continued to extract money from Miles and take away valuables like his television. It was very challenging and time consuming for the OPGT to get the gang members out of Miles' daily life because Miles was afraid and refused to go to the police. The OPGT intervened repeatedly, checking on Miles and encouraging him to report the activity to the police. It took some time, but the OPGT was able to ensure Miles used his money for food and house maintenance – no longer handing it over to the criminals who had infiltrated his life. Eventually the gangs were out of the picture completely.

The work it took to stabilize Miles and get him back on secure financial footing was significant. At the point of becoming a client of the OPGT, Miles had assets totaling \$360,000 including the house. Over the course of 20 years, OPGT developed, monitored and updated financial plans with the goal of maintaining a stable life for Miles.

Today, at 72, Miles still lives independently in the same house. He has a total net worth of \$1.4 million. His investment portfolio aligns with his investment objectives and currently includes a diversified mix of fixed income, and equities. Miles is no longer targeted by local criminals, has the support services he needs and can live comfortably for the rest of his life. Should he ever need it, the oversight and investment done by the OPGT on his behalf mean he can now afford the level of care he needs.

Property Guardianship Services

The OPGT provides services to adults with diverse backgrounds and abilities who have been deemed mentally incapable¹ under the *Substitute Decisions Act, 1992*.

A guardian of property steps into the shoes of the incapable person and conducts the financial decisions and transactions that the person would otherwise do themselves. This includes, but is not limited to: applying, redirecting and receiving income; maintaining and making investments; filing tax returns; paying for services and medications; maintaining, purchasing and selling property, vehicles and medical equipment; and providing funds directly to the incapable person to maintain independence in the community.

The financial decisions and transactions are conducted in the client's best financial interest to promote the client's comfort, well-being and to maximize their quality of life. Clients are encouraged to participate in decisions, and supportive family members, friends and caregivers are also consulted. The OPGT liaises with various vendors to manage clients' property including government and private pension plans, public agencies, health and long-term care facilities, utility companies, pharmacies, insurance companies, financial institutions, extended health care benefit carriers, funeral homes and health care professionals.

At the end of 2020-21, the OPGT was actively managing the finances of 12,626 clients.

Increasingly Complex Cases

Client files are reviewed and assigned based on the level of complexity and assigned as complex or non-complex:

<i>Complex</i>	<i>Non-Complex</i>
<ul style="list-style-type: none">• over \$50,000 in cash or cash equivalents• complex legal issue, such as a motor vehicle accident claim• extended health care coverage• trusts administered outside the OPGT• non-fixed income investment RRSPs, or• custody of minor children or dependents.	<ul style="list-style-type: none">• up to \$50,000 in cash or cash equivalents• non-complex legal issue, such as an interest in an estate• recipient of Ontario Disability Support Program or basic government pensions such as Old Age Security, Canada Pension Plan and Guaranteed Income Supplement

¹ **Mental incapacity** is when someone cannot understand relevant information or cannot appreciate what may happen as a result of decisions they make—or do not make—about their finances, health or personal care.

At the end of the 2020-21 fiscal year, 4,779 of the OPGT's 12,626 clients were considered to have a complex financial file. In the 2020-21 fiscal year the OPGT managed 7,847 noncomplex files.

Client story: A client representative leaves no stone unturned



The OPGT does everything it can and uses every tool at its disposal to ensure clients get all monies they are entitled to. In this case, the hard work and tenacity of one client representative ensured that two clients received a COVID-19 benefit that could easily have been missed.

The job of the OPGT is more than just paying the bills as they come in. It includes monitoring available social benefits for anything to which the client may be entitled. In this case, it was a newer client representative who, while researching everything that could possibly help her clients financially, discovered available funding that could help cover the cost of at-home activities at a time community activities were being shut down. Looking at the Ministry of Children, Community and Social Services website, the representative discovered two of her clients were due an additional benefit through the Passport Guidelines for Adults with a Developmental Disability and their Caregivers (2014) program which supports individuals and families' participation in the community, such as attending day programs and purchasing caregiver respite. As COVID-19 prevented community programs from operating, an addendum allowed for this funding to support at-home activities instead.

The clients were able to get reimbursements of \$3,723 and \$1,429 respectively. But the story doesn't stop there: The information on the funding program was shared across the OPGT so that other clients could benefit. Now, because of one staff member's due diligence reviewing these files and awareness of current changes in process and procedures, all OPGT clients with Passport Funding will benefit.

Asset Management

In addition to managing day-to-day transactions for its clients, the OPGT manages their assets. This includes everything from their savings accounts and investments to real estate, vehicles and chattels.

Figures in the following sections reflect assets being managed on behalf of property guardianship services clients. Figures for asset management in other areas, including estates and the Accountant of the Superior Court of Justice, are included in the relevant sections of this report.

Client Equity: Of all 12,626 guardianship and trusteeship clients, 88.4% have equity less than \$100,000.

Cash and Investments

In order to satisfy the goals and needs of diverse client groups a variety of investment options offering differing levels of risk and return potential are available to clients. Most guardianship clients require high liquidity to allow the payment of their day-to-day living expenses. Funds held on behalf of these property guardianship clients are primarily invested in low risk fixed income investments to earn a reasonable rate of return and preserve capital. Clients may also be invested in the OPGT's Diversified and Canadian Income and Dividend Funds, as well as in external options for clients whose needs are better met with these investment types.

OPGT client funds are invested to preserve capital and maximize returns in a manner appropriate to individual client circumstances and investment risk levels.

Money Market and Fixed Income Investments

At the end of the 2020-21 fiscal year, the OPGT was managing approximately \$554 million in fixed income investments for guardianship clients.

Diversified and Canadian Income and Dividend Fund Assets

The Diversified fund and the Canadian Income and Dividend fund offer clients access to additional investments including actively managed Bonds and Canadian and Global Equities. These options may be appropriate for clients with investment objectives such as seeking capital appreciation, generating income and preserving and enhancing the purchasing power of capital over the longer term.

The OPGT manages funds on behalf of clients who need to preserve and enhance the purchasing power of capital over the longer term and maximize the need for current income. The OPGT manages over \$41 million in these funds on behalf of clients.

External Investments

At the end of the 2020-21 fiscal year, the OPGT managed approximately \$244 million worth of external investments on behalf of property guardianship clients. These include investments which are held in the following types of accounts:

- ✓ Registered Disability Savings Plans (RDSP)
- ✓ Registered Retirement Savings Plan (RRSP)
- ✓ Tax-Free Savings Accounts (TFSA)
- ✓ Non-registered accounts holding primarily segregated funds

The types of investments held in external accounts commonly include High Interest Savings, Guaranteed Investment Certificates, Mutual Funds and Exchange Traded funds.

Real Estate and Other Assets

At the end of the 2020-21 fiscal year, the OPGT continued to manage real properties worth over \$182 million.

In addition to properties, the OPGT was managing \$15.7 million of other assets on behalf of guardian clients. These assets include:

- ✓ Pre-paid funerals
- ✓ Life insurance policies
- ✓ Loans receivable
- ✓ Chattels and vehicles

Client story: Judges and courts rely on OPGT investment expertise

With a fiduciary duty to do what is in the client's best interest, the OPGT has to think both short and long term when it comes to managing the financial interests of clients. For those with special circumstances like lump sum or ongoing payments, the challenge is to produce an investment strategy that considers the full life of the client – and in that respect the OPGT's track record and expertise are highly regarded by judges and courts.

In one specific case, completed this year, a court ordered judgement was made to pay an OPGT client, a victim of a catastrophic injury, a settlement of \$295,432. The OPGT acted in the

best interest of this 35-year-old client and applied its knowledge, experience, and access to a variety of financial tools and investment vehicles in developing a strategy to that would preserve existing entitlements and significantly enhance the value of the settlement proceeds over the client's lifetime. The strategy involved:

- ✓ delivering \$811 per month using a customized structure settlement with a guaranteed tax free \$87,957 lumpsum payment
- ✓ preserving 100% of the client's ODSP benefits
- ✓ building a substantial investment portfolio of OPGT funds and a Registered Disability Savings Plan to help fund future needs



Within a short time, the judge indicated that he was satisfied that varying his original judgement to adopt the OPGT investment strategy would be in the best interest of the client. He then issued a new court order detailing the investment of the \$295,432 based on the OPGT recommendation. Thanks to the OPGT's prudent investment approach this client should be financially secure for a long time coming, leading to a better quality of life overall.

Litigation Guardianship

The OPGT acts on behalf of adults who are involved in litigation where the court has found the person to lack the mental capacity to instruct a lawyer or to make decisions about necessary litigation steps. The OPGT can be appointed by court order to act as a litigation guardian or legal representative in the proceeding where there is no other individual who is willing and suitable to act.

The OPGT has approximately 330 active litigation guardianship and legal representative files at any point in time.

In addition to being appointed as litigation guardian by a judge, the OPGT may also act as litigation guardian when litigation involving a property guardianship client arises during the course of the OPGT's financial administration.

Client story: Litigation guardianship makes all the difference

The OPGT has served as Sameer's property guardian since 1975. Now older and living in a group home, Sameer's medical needs have been increasing at significant financial costs. With

only social benefits for support, Sameer was unable to pay for much needed medical care. Fortunately, Sameer had access to about \$500,000 via a trust fund, which was set up through a Will of a deceased family friend. The manager of the fund was responsible for payouts. However, Sameer's group home contacted the OPGT to note that shortfalls weren't being paid from this fund. The OPGT was asked to step in on



Sameer's behalf. Unfortunately, despite repeated requests for financial support from both Sameer's group home and the OPGT, the fund's manager continued to ignore their responsibilities. This resulted in increased arrears and the strong possibility that Sameer's disability-related needs would not be paid.

The Property Guardianship Services and Legal teams made a plan to deal with this issue, including a court application against the manager of the fund, with the OPGT acting as litigation guardian. Even though the COVID-19 pandemic had slowed down courts, the OPGT secured a hearing date in spring 2021. But, as Sameer's arrears were increasing and services for his benefit could be reduced dramatically, the OPGT decided to negotiate immediately, prior to the hearing date.

Through many hours of negotiations, OPGT's legal counsel was able to get the fund manager to agree to provide regular payments for Sameer's expenses. To ensure that these payments would be made, Minutes of Settlement were signed, and a court order requiring monthly payments would be obtained. The OPGT was careful to ensure that these payments would not reduce Sameer's social benefits amounts.

The OPGT brought a motion for court approval of the settlement and, using the new COVID-19 virtual procedures, the OPGT acted again as Sameer's litigation guardian. As litigation guardian, the OPGT argued that the settlement would be beneficial to Sameer. The Judge agreed, stating that "the settlement is fair and reasonable, and in Sameer's best interests."

The OPGT's excellent collaboration, hard work and creativity during the procedural challenges posed by COVID-19 directly benefited a long-standing client's current and future interests.

Investigations

The Investigations unit provides services to property guardianship and estate clients by attending and searching residences, vehicles or other locations to locate information or secure assets for the incapable person or estate. Assets, chattels, personal items, valuables and documentation, such as Wills, financial instruments, legal documents and identification

are secured and recorded to assist in the administration and financial management for the incapable person or estate.

While safety measures are always taken, due to COVID-19, additional safety measures were put in place for staff and clients/public safety. In 2020-21, 1,171 property and estate investigations were completed throughout the province, a decrease of 69 from the previous fiscal year.

The OPGT also conducts investigations when information is received alleging that an individual may be incapable and at risk of suffering serious financial or personal harm and there is no alternative solution available. An allegation could be about severe self-neglect, physical abuse and/or financial exploitation of an incapable person. In 2020-21, 173 investigations were conducted.

An investigation may result in the OPGT asking the court for authority to make decisions on a person's behalf on a permanent or temporary basis, for property or personal care.

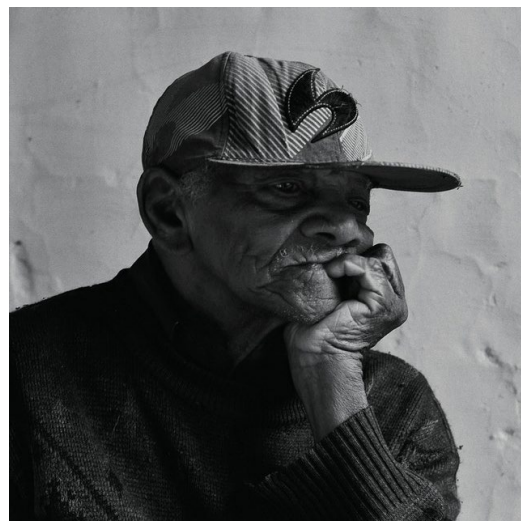
Personal Care Guardianship

The OPGT may be appointed by the court to make decisions for personal care (health care, nutrition, shelter, clothing, hygiene or safety) for an incapable person in order to protect them from extreme physical risk.

Over the course of the 2020-21 fiscal year, the OPGT continued to act as the court appointed guardian of personal care on behalf of 52 clients.

Client Story: OPGT collaboration turns a man's life around

In September 2020, a social worker contacted the OPGT regarding an abuse situation for Trent, a, older man living alone in an apartment. OPGT investigators established that the client's unit was overtaken by drug dealers, that he was using drugs and being financially abused, and he was under threat of eviction due to unpaid rent. Through a thorough investigation into Trent's finances, OPGT was able to see that Trent's Canada Pension Plan and Old Age Security income was being withdrawn immediately upon deposit.



After speaking with Trent in November 2020, the investigator noted that Trent exhibited extreme delusions and did not understand the severity of the situation – that he was being

evicted in January. Seeing no other option, the OPGT worked quickly to be appointed guardian, despite COVID-19 challenges including longer than normal court timelines. Thanks to the strong evidence gathered during the investigation and speedy work from the legal team, the PGT was appointed the day before the client's eviction date.

While the OPGT was unable to prevent the eviction, we helped turn our client's life around and in a positive direction. With multiple interventions, the OPGT was able to stabilize Trent's life, including helping him move to a long-term shelter. During the first four months of the OPGT's involvement as financial guardian, Trent's mental health improved, he was no longer being financially abused and did not appear to be using drugs. Pleased to have the OPGT handling his financial matters, Trent is actively participating in saving money.

Trent's story could have ended very differently; eventual homelessness and worsening drug addiction seemed likely. However, swift collaboration between OPGT's investigations, legal and property guardianship teams made all the difference to Trent. OPGT staff remain dedicated to assisting the most vulnerable, and this case demonstrates the real change our office can make to the lives of those in difficult circumstances

Something to Consider: Apply to take over guardianship duties

The OPGT acts as a guardian of last resort, usually where the person did not have a power of attorney for property. If your family member or partner is under the OPGT's care, consider applying to take over responsibility as a substitute decision maker for them. The duty includes managing the finances in a way that respects their personal care decisions where possible. Learn more at www.Ontario.ca/OPGT.

Substitute Treatment Decisions

When a person is not able to consent to medical treatment or admission to a long-term care facility, a substitute decision maker, usually a relative, is required to make treatment decisions for the incapable person.

The OPGT, as a last resort, will make treatment decisions. The OPGT gathers information about the incapable person to make an informed decision, taking into consideration any wishes the person expressed while capable, before making the treatment decision.

The OPGT makes decisions for a variety of treatments such as those related to dental, medication, surgery, treatment plans, personal assistance devices, end of life or palliative care, and admission to long-term care.

As of March 31, 2021, the OPGT made 10,966 treatment decisions, an increase of 1,851 additional decisions from the previous fiscal year.

Reviewing Guardianship Applications

A specialized unit reviews applications from family members/partners who wish to replace the OPGT as guardian of property for an incapable relative. An application and management plan must be provided outlining the incapable person's finances and detailing how the finances will be handled appropriately for the incapable person's benefit.

The OPGT reviews the application and management plan in detail, as well as the relationship between the incapable person and applicant, and consults the incapable client to determine their wishes where possible. Independent inquiries are made to family members and others involved in the client's life to gather information relevant to the application. An approved guardian may have to secure a surety bond for the continued protection of the incapable

Substitute decision-makers are ranked in a hierarchy. The health practitioner—or the Local Health Integration Network (LHIN) staff, in the case of admission to long-term care—goes down the list until a substitute who is available, capable and willing to make the incapable person's decision is found.

The order is:

1. A guardian appointed by the court if the court order authorizes the guardian to make health care decisions;
2. A person named in a power of attorney for personal care that authorizes them to make health care decisions;
3. A representative appointed by the Consent and Capacity Board (any person may apply to the board to be appointed as the substitute decision maker);
4. A spouse or partner;
5. A child or parent (custodial parent if the patient is a minor);
6. A parent who has access rights (if the patient is a minor);
7. A brother or sister;
8. Any other relative; or
9. The OPGT.

person's assets and property. Non-family members may seek a court order to replace the OPGT.

This year the OPGT received 303 applications. During the year, 144 applications were either approved, withdrawn, or refused.

Guardianship Advisory Committee

The Guardianship Advisory Committee (GAC) advises the OPGT on matters relating to substitute decision-making under the *Substitute Decisions Act* and the *Health Care Consent Act* and generally on guardianship matters.

It provides advice and feedback on the community's perception of, comprehension of and experience with the Office of the Public Guardian and Trustee, its substitute decision-making policies, procedures and public education initiatives. It also flags issues in the sector and advises the OPGT on options for resolving key systemic issues and policy returns.

The OPGT would like to thank the members of the **Guardianship Advisory Committee** during this fiscal year:

- ✓ Christine Conrad – Canadian Mental Health Association
- ✓ Nancy Cooper – Ontario Long Term Care Association
- ✓ Laura Lee Edmiston – Adult Protective Service Workers of Ontario
- ✓ Gillian Fournie – Ontario Bar Association
- ✓ Kim Gale – Ontario Bar Association
- ✓ Robin Spurr – Ontario Bar Association
- ✓ Dr. Rosemary Meier – Independent
- ✓ Graham Webb – Advocacy Centre for the Elderly
- ✓ Dr. Peter Prendergast – The College of Physicians and Surgeons of Ontario
- ✓ Harmeen Toor – AdvantAge Ontario

COVID-19 and the OPGT: Providing critical services throughout the pandemic

Through collaboration, hard work and by acting quickly to respond to a rapidly changing world, the OPGT continued to provide critical services to clients during the COVID-19 pandemic.

Supporting OPGT staff:

- ✓ deploying over 200 laptops and remote access tools in a short time frame, allowing staff to access operating systems while working from home
- ✓ using virtual platforms such as Adobe Connect, Zoom and Microsoft Teams for training, communicating with staff and virtual meetings
- ✓ providing flexible work hours and/or work from home
- ✓ providing over 29,000 personal protective equipment, implementing office safety measures and rotated in-office attendance for essential staff to ensure vital services were provided while following all distancing protocols



Supporting clients:

- ✓ maintaining vital in-person services for clients to access their payments, helping reduce disruption to their lives (see Giving Back and Staying Open below)
- ✓ adjusting to an increased number of files for closure i.e. death, private guardians, etc. while maintaining excellent service levels
- ✓ making a significantly increased number of treatment decisions for vaccine consent



Modernizing processes:

- ✓ adapting to electronic procedural changes to apply for Certificate of Appointment of Estate Trustee and filing legal materials, and converting many paper-based processes to electronic processes
- ✓ helping to develop provincial emergency orders to allow virtual witnessing of wills and powers of attorney, while also ensuring the integrity of the witnessing process, now a permanent legislative amendment
- ✓ developing a temporary policy to assist charities to avoid closure by accessing restricted funds faster



Giving Back:

The pandemic has been tough on all of us but even tougher for those who don't have many supports. This was especially true during holidays. The COVID-19 pandemic and a province-wide lockdown did not stop OPGT staff from yet again showing their compassion and commitment to our vulnerable clients.

For Thanksgiving, in keeping with the spirit of giving, OPGT staff raised over \$2,000 through personal donations for the Toronto Council Fire Native Cultural Centre and the Scott Mission to help them provide an estimated 566 meals to vulnerable individuals.

At Christmas, OPGT staff kept their annual Toronto holiday gift drive in operation. Through online donations, the Gift Drive distributed masks, personal hygiene supplies, winter hats, scarves, gloves, socks and over \$1,000 in gift cards to some of our most isolated clients. These small gestures help to let them know that someone is thinking about them during the holidays.

Staying Open: Maintaining walk-in service

Enhanced social distance markings, strict in-office capacity limits, provision of a fresh face mask for each visitor upon entry, frequent physical cleaning of common touchpoints by OPGT staff - these protocols demonstrate how much the OPGT values the health and safety of both clients and staff members. And notably, rather than resisting these changes, clients were very appreciative of these safety measures.

OPGT regularly provides walk-in services to clients who receive payments by cheque or who are meeting with OPGT staff members. The busiest office is the Toronto location, which can see as many as 1700 visitors per month.

During the pandemic period, OPGT's offices remained an important point of contact between clients and OPGT staff members. New ways of providing in-person services were quickly developed. For example, to facilitate a virtual meeting between a client, caseworker and legal counsel regarding a time-sensitive matter, staff worked to identify appropriate space, set up a video call, and made the meeting seamless for everyone.

OPGT is always finding new ways to help, serve, and protect our most vulnerable clients with dignity and professionalism – whatever challenges we may face!



Primary Services: Trust Operations

Administering Estates

The OPGT can apply to administer certain estates pursuant to the *Crown Administration of Estates Act*. Administering an estate often involves an extensive search for information about the deceased's assets and next of kin prior to taking control of the estate.

When an estate is under the OPGT's authority, the OPGT is responsible to secure and manage the deceased's assets and apply to court to become the Estate Trustee. The objective of the estate administration process is to liquidate and distribute assets to heirs efficiently and effectively. As such, assets are reviewed, typically redeemed and invested to provide a reasonable return and liquidity to facilitate the payment of liabilities, taxes and distribution to heirs.

The OPGT's role is to protect the interest of potential heirs when an Ontario resident dies, and no eligible person is available to administer the estate.

The OPGT will apply to administer an estate if:

- ✓ the deceased was an Ontario resident or owned real estate here; and
- ✓ the deceased did not make a Will or the deceased did make a Will but the executor has since died or become incapable; and
- ✓ there are no known next-of-kin living in Ontario or the next-of-kin are minors or mentally incapable adults; and
- ✓ the estate is valued at a minimum of \$10,000 after payment of the funeral and all debts owing by the estate.

On March 31, 2021, there were 1,692 estates under administration. The OPGT received 770 inquiries to administer estates throughout the fiscal year and continued to manage approximately \$174 million in fixed income assets related to estates.

In addition to cash assets, the OPGT continued to manage:

- ✓ properties with a collective market value of approximately \$41 million
- ✓ \$0.6 million in chattels and vehicles
- ✓ \$19 million in external investments
- ✓ \$0.3 million in other assets including life insurance policies and loans receivable.

Cemetery Trusts

In Ontario, cemetery owners are required to place a portion of the fees charged (including those for supplies or services purchased prior to death) into a trust fund, some of which are

held and managed by the OPGT. The OPGT pays out the annual income to cemetery owners, who then use the interest earned on the trust funds for the upkeep of the cemetery.

Accountant of the Superior Court of Justice

The Accountant of the Superior Court of Justice is responsible for funds, mortgages and securities that are held in relation to court actions for parties to the litigation, or on behalf of minors, incapable persons and absentees. Funds are held until a court order is received outlining how they are to be disbursed, or in the case of minors, until they reach the age at which they are eligible to receive the funds.

This year, approximately \$56 million was distributed to minors who have reached the age they were eligible to receive funds.

In 2020-21 the OPGT managed the accounts of approximately 34,000 minors, incapable persons, absentees and litigants, totalling approximately \$969 million in value.

Client Story: Managing the funds of two orphans while they heal

The thought of a young child losing a parent is heartbreaking. Losing both parents in one day, unimaginable. Such is the reality for two young siblings in Ontario, now orphans after a tragic event.

The Accountant of the Superior Court of Justice, as the default custodian of funds for beneficiaries under the age of majority, received the children's shares of their parents' life insurance policies. Once the funds were deposited and files created, reviews were conducted by OPGT to ensure the funds were invested to achieve a balanced portfolio for these young beneficiaries.

Meanwhile, a GoFundMe campaign was started by family members. The ASCJ worked closely with both the Office of the Children's Lawyer (OCL) and GoFundMe to navigate this new process. Eventually a temporary bank account was opened to receive the campaign funds of approximately \$100,000.

A year and half after their tragic loss, the children moved overseas to live with an aunt and uncle. The ASCJ continues to work closely with the OCL to maintain monthly support



and education payments. The children now have new legal guardians who have expressed gratitude for receiving quick attention to the children's needs despite living overseas.

The road to recovery for these two innocent victims of a terrible ordeal will be arduous. Along the way, ASCJ is here to safeguard the funds until the minors are legally entitled to them and will assist whenever possible to ensure that the payout process goes smoothly.

Primary Service: Protecting the Public Interest

Capacity Assessment

If a person does not have a power of attorney and cannot make financial decisions, another person may have to be given legal authority to make decisions on their behalf. Before this authority is given, it must be determined that the person is mentally incapable. One way to do this is through a capacity assessment by a designated capacity assessor.

A capacity assessor is an eligible health professional who is qualified and designated under the *Substitute Decisions Act*. The Capacity Assessment Office is responsible for selecting and providing training to eligible health professionals, and keeping a list of designated capacity assessors. There are 97 designated capacity assessors in Ontario as of June 1, 2021.

Charitable Property Program

The OPGT plays a role in helping to ensure the proper use of charitable property and funds in Ontario. Charities and charitable gifts enjoy a special status under Canadian law and when the public donates money for charitable purposes, they expect it be used properly. The OPGT:

- ✓ Protects the public interest in charitable property in court proceedings.
- ✓ Identifies charities that should receive benefit from an estate when specific charities are not named.
- ✓ Reviews and approves charities incorporation and corporate change documents.
- ✓ Acts on complaints from the public concerning the misappropriation of charitable property in Ontario.

The OPGT charities team worked on 56 litigation matters, handled 100 complaints and requests for information and reviewed 311 incorporations and amendments to corporate documents.

The OPGT also becomes involved in litigation involving charities, which is part of our role in protecting the public interest in charitable property. For example, the OPGT successfully

obtained a settlement with a charity trustee that requires him to personally repay over \$1 million to the charitable trust.

Another important part of the work of the Charitable Property Program is developing policy and legislation around the use of charitable property in Ontario. This includes reviewing draft legislation and writing the corresponding guidelines for the public. In response to COVID-19, the OPGT developed a new temporary policy to assist charities to avoid closure by accessing their restricted funds on an expedited basis.

Dissolved Corporations

When an Ontario corporation is dissolved and owns certain assets on the date it ceases to exist, the company's assets are forfeit to the Crown. If it is personal property, the OPGT, on behalf of the Crown, may sell or dispose of the property. The OPGT may act as trustee for property owing to unknown or missing corporate shareholders or creditors.

Investment Management and Risk Management

Investment Management

One of the key principles that guides the investment activities of the OPGT is that investment goals should match client needs. This acknowledges the diverse nature of our clients. This belief is consistent with industry practices and standards. While many of the OPGT's clients have a low capacity for risk the OPGT considers individual factors and will invest clients at the higher end of the risk-return spectrum when circumstances warrant.

The OPGT attempts to reduce the overall level of risk in client portfolios by diversifying between asset classes and diversifying within each asset class. Risk is also mitigated by establishing quality and quantity guidelines for each of its funds.

The OPGT further manages risk by having a strong oversight framework. When the financial markets experienced significant volatility and liquidity issues in 2020, the OPGT's funds were well positioned. The fixed income funds remained stable and continued to pay a competitive return compared to other short-term investments. Despite the tenuous start to the fiscal year, equity markets rebounded relatively quickly. The performance of the Diversified fund and the Canadian Dividend Income fund has been very strong over the fiscal year.

Investment returns are evaluated using the investment industry standard of four-year rolling averages with information on returns provided by third party professional measurement services. The annualized performance of the funds over the past four years as of March 31,

2021 were, Diversified Fund 7.06%*, Canadian Dividend & Income Fund 5.07%*, Laddered Buy and Hold Fund 2.13%*, the Canadian Money Market fund 1.35%* and the US Money Market fund 1.61%* (*Returns are presented gross of fees).

Investment Advisory Committee

The Investment Advisory Committee (IAC) to the Public Guardian and Trustee approves the rates of interest to be paid on money in the hands of the Public Guardian and Trustee and advises the OPGT on investments, investment manager performance and any other aspects of the investment process.

Investment Options

The OPGT has five common funds managed by external professional investment firms:

1. Laddered Buy and Hold Bond Fund
2. Diversified Fund
3. Canadian Income and Dividend Fund
4. Canadian Money Market Fund
5. U.S. Money Market Fund

For the fiscal year ending March 31, 2021, the Diversified Fund had a return of 21.60%*, the Canadian Dividend & Income Fund had a return of 18.8%*, the Laddered Buy and Hold Fund had a 2.1%* return., the Canadian Money Market fund had a return of 0.51%* and the US Money Market fund had a return of 0.40%* (*Returns are presented gross of fees).

The performance of the Laddered Buy and Hold Bond Fund and Canadian Money Market fund enabled the OPGT to pay its clients an interest rate of between 2.25 - 1.75 per cent throughout the past year. This rate is highly competitive while offering full liquidity and security of principal to OPGT clients.

Thanks to our
**Investment Advisory
Committee** members:

- ✓ Mark Fuller
- ✓ Chris Kautzky
- ✓ Tanya Lai
- ✓ June Ntazinda
- ✓ Elke Rubach
- ✓ Stephen Sisokin
- ✓ Linda Smith
- ✓ Maureen Stapleton
- ✓ David Yu

Audit Committee

The Audit Committee (AC) is an advisory body to the Public Guardian and Trustee whose mandate is to approve the annual audited financial statements and to review information and provide advice regarding the office's financial reporting processes, the system of internal control and risk management, and the audit process.

Thanks to our **Audit Committee** members:

- ✓ Jeanette Dias D'Souza
- ✓ Mike Anderson
- ✓ Olha Dobush
- ✓ Paula Reid
- ✓ Erika Cotter

Risk Management

The services of the OPGT are of critical importance to its clients and their well-being. The high volume and complex nature of the business processes involved in our work may create a risk of errors and omissions that would negatively impact clients.

The OPGT has a dedicated quality assurance and risk management unit which conducts several risk mitigation activities throughout the year, including:

- ✓ Fraud detection analysis
- ✓ Case file reviews
- ✓ Transaction reviews
- ✓ Cash disbursement analysis

The four highest risks faced by the organization and the mitigating strategies in minimizing their impacts have been identified:

<i>Risk</i>	<i>Nature of Risk</i>	<i>Major Mitigation Strategies</i>
Financial Fraud against clients	False claim against client assets or estates through illegitimate means.	Develop high risk client profile and conduct in-depth system-based review of at-risk client files to identify potentially fraudulent activities.
COVID-19 Pandemic	Risk that PGT will not be able to fulfill the office's role and responsibility in serving the clients due to pandemic restrictions.	Organization of alternate working options such as work from home and flexible hours for all staff to ensure service to the public is not affected, including on-site physical kiosks staffing.
Implementation of the 16 (30 detailed actions) OAGO	The five remaining actions not	The OPGT had fully implemented 13 of the 30 detailed actions at the conclusion of the 2021 follow-up and completed a further 12 by the end

Value for Money Audit Recommendations	implemented as scheduled.	of 2020/21. Management is formally tracking and reporting the status of implementation on the 5 remaining actions on a quarterly basis to ensure timely completion.
Non-compliance with PGT policies and procedures	Risk of employees intentionally or unintentionally not following PGT policies and procedures.	The OPGT is committed to expand the use of data analytics and exceptions reporting to identify potential errors and omissions for enhanced management oversight. Utilize advanced analytical tools & Audits to identify exceptions and implement mitigation strategies to minimize recurring errors and cost.

Key Performance Indicators (KPIs)

The OPGT performs operational and strategic oversight by KPIs that cover all three branches of the office:

1. Client Services; KPIs report on the efficiency of the office in fulfilling its role as guardian of property and/or estate trustee;
2. Finance, Technology & Administration; KPIs report on the organization's effectiveness in managing client's assets in terms of return on investment; and
3. Legal Services; KPIs report on the department's timeliness in identifying, addressing and resolving legal issues on behalf of clients.

Management monitors these KPIs against established targets to meet the office's mandate, and to make improvements where necessary. The following KPIs are a selection of what the OPGT is tracking.

<i>KPI Description</i>	<i>Unit of Measure</i>	<i>Target</i>	<i>2020/21 Annualized Results</i>
Investigation Services Timeliness	% Investigations Conducted within Target Timeline	80%	76%
Team Leader Client File Review Timeliness	% of Team Leader Client File Review Completed within 6 months of jurisdiction	100%	49%
Legal File Review Timeliness	% of Legal File Review Completed within 6 months of jurisdiction	100%	62%

Application to Replace Processing Timeliness	% of APR Completed within 6 months of opening	80%	44%
Critical Services Delivery Timeliness	% Critical Services Initiated within 30 Days of jurisdiction	100%	91%
4 Year Rolling Return on Investment	% of pooled investment with rate of return exceeding benchmark	100%	96%
Legal Matter Closure	% of Legal Matters Closed within 3.5 Years of opening	100%	89%

**The Public Guardian and Trustee
for the Province of Ontario**

Financial Statements

For the year ended March 31, 2021

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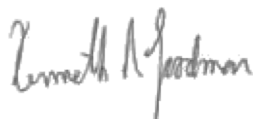
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Management's Responsibility for Financial Information

Management is responsible for the financial statements and all other information presented with the financial statements. The financial statements have been prepared by management in accordance with International Financial Reporting Standards (IFRS), and, where appropriate, include amounts based on management's best estimates and judgments.

Management is also responsible for developing and maintaining systems of internal control that provide reasonable assurance that financial information is reliable, that all financial transactions are properly authorized, that assets are safeguarded, and that the Public Guardian and Trustee for the Province of Ontario adheres to legislation and regulatory requirements. These systems include the communication of policies and the Public Guardian and Trustee for the Province of Ontario's code of ethics and business conduct throughout the organization. Management continually monitors the systems of internal controls for compliance.

The financial statements have been examined by the Office of the Auditor General of Ontario. The Auditor General's responsibility is to express an opinion on whether the financial statements are fairly presented in accordance with International Financial Reporting Standards (IFRS). The Auditor's Report outlines the scope of the auditor's examination and opinion.



Kenneth R. Goodman
Public Guardian and Trustee



Carolyn Sitler, CPA, CMA
Chief Financial Officer

June 21, 2021



INDEPENDENT AUDITOR'S REPORT

TO THE PUBLIC GUARDIAN AND TRUSTEE FOR THE PROVINCE OF ONTARIO

Opinion

I have audited the accompanying financial statements of The Public Guardian and Trustee (PGT), which comprise the statement of financial position as at March 31, 2021, and the statements of income and comprehensive income, changes in net assets attributable to beneficiaries of estates and trusts, changes in equity of the administration fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PGT as at March 31, 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs, 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 PGT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless PGT either intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Toronto, Ontario
June 21, 2021

Susan Klein, CPA, CA, LPA
Assistant Auditor General

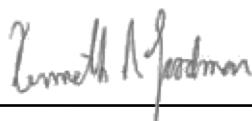
Statement of Financial Position

As at March 31

in thousands of dollars

	Note	2021	2020
Estates and Trusts			
Assets			
Cash and cash equivalents	4.1	\$ 114,462	\$ 98,783
Accounts receivable	6	4,884	5,284
Investments at fair value through profit or loss:			
Bonds and other debt securities - client owned	4.1	69,067	64,085
Diversified fund	4.2	106,773	91,088
Canadian income and dividend fund	4.3	111,908	99,943
Equity securities - client owned	4.4	86,893	62,988
Investments in Fixed income funds	4.5	1,590,899	1,490,009
Real estate		187,715	157,324
Other assets	7	16,363	15,918
Total assets		2,288,964	2,085,422
Liabilities			
Accounts payable and accrued liabilities	8	94,527	93,261
Net assets attributable to beneficiaries of Estates and Trusts		2,194,437	1,992,161
Total liabilities and net assets attributable to beneficiaries of Estates and Trusts		\$ 2,288,964	\$ 2,085,422
Administration Fund			
Assets			
Cash and cash equivalents		\$ 1,064	\$ 3,542
Accounts receivable	6	3,323	2,696
Investments at fair value through profit or loss:			
Diversified fund	4.2	107,872	88,948
Canadian income and dividend fund	4.3	31,441	26,467
Investments in Fixed income funds	4.5	20,851	20,813
Total assets		164,551	142,466
Liabilities			
Accounts payable and accrued liabilities	8	5,647	8,303
Total liabilities		5,647	8,303
Equity			
Funds and reserves		17,500	17,500
Unappropriated fund		141,404	116,663
Total equity		158,904	134,163
Total liabilities and equity		\$ 164,551	\$ 142,466

On behalf of The Public Guardian and Trustee for the Province of Ontario



Public Guardian and Trustee



Chief Financial Officer

Statement of income and comprehensive income - Estates and Trusts

For the year ended March 31

in thousands of dollars

	Note	2021	2020
<i>Estates and Trusts</i>			
Income			
Social benefits		\$ 117,743	\$ 115,765
Pensions		109,917	107,568
Other income		47,441	37,496
		<u>275,101</u>	<u>260,829</u>
Expenses			
Accommodation		146,680	144,962
Allowances		48,198	47,860
Fees charged by the Public Guardian and Trustee	9	32,840	32,745
Real estate		14,894	18,019
Taxes		13,179	13,403
Living expenses		9,979	11,376
Funeral expenses		7,696	6,517
Other expenses		6,745	7,677
Utilities		6,023	5,548
Medical expenses		5,824	7,080
Insurance		2,371	2,246
Total expenses		<u>294,429</u>	<u>297,433</u>
Net loss		<u>(19,328)</u>	<u>(36,604)</u>
Net investment income			
Interest income from fixed income funds		29,619	32,977
Change in fair value on investments at fair value through profit or loss	10	53,086	(393)
		<u>82,705</u>	<u>32,584</u>
Change in net assets attributable to beneficiaries before undernoted:		<u>\$ 63,377</u>	<u>\$ (4,020)</u>
- Client Capital Contributions during the year		538,827	577,865
- Client Capital Distributions during the year		(397,078)	(519,578)
- Funds escheated to the Crown	14	(2,850)	(3,972)
Change in net assets attributable to beneficiaries		<u>\$ 202,276</u>	<u>\$ 50,295</u>

Statement of income and comprehensive income - Administration Fund

For the year ended March 31

in thousands of dollars

	Note	2021	2020
Administration Fund			
Revenue			
Fees charged on estates and trusts	9	\$ 32,840	\$ 32,745
Grants received from the Ministry of the Attorney General	13	20,082	19,717
		<u>52,922</u>	<u>52,462</u>
Expenses			
Salaries, wages and benefits	11	40,037	38,735
General administration	12	6,165	4,437
Fees incurred		2,055	1,922
Transportation and communication expenses		657	781
Supplies and equipment expenses		222	295
Claims		16	570
Total expenses		<u>49,152</u>	<u>46,740</u>
Net income		<u>3,770</u>	<u>5,722</u>
Net investment income			
Interest (expense) income from fixed income funds		(109)	361
Change in fair value on investments at fair value through profit or loss	10	23,898	(3,540)
		<u>23,789</u>	<u>(3,179)</u>
Investment expenses		2,818	2,750
Net investment income (loss)		<u>20,971</u>	<u>(5,929)</u>
Total comprehensive income (loss)		<u>\$ 24,741</u>	<u>\$ (207)</u>

Statement of changes in net assets attributable to beneficiaries of Estates and Trusts

(in thousands of dollars)

	Client Trusts	Minors	Litigants	Deceased Estates	Cemetery Trusts	Forfeited Corporate Assets	Corporate Trusts	Land Titles	Total
Balance at March 31, 2019	\$ 800,507	439,821	442,305	201,192	28,935	24,636	801	3,669	\$ 1,941,866
Change in net assets attributable to beneficiaries before undernoted:	(4,671)	(1,201)	7,212	(6,639)	(447)	1,618	23	85	(4,020)
Client Capital Contributions during the year	240,613	62,713	211,665	61,232	1,072	563	-	7	577,865
Client Capital Distributions during the year	(186,337)	(71,679)	(212,755)	(47,694)	(1,091)	(22)	-	-	(519,578)
Funds escheated to the Crown (note 14)	-	-	-	(3,379)	-	(593)	-	-	(3,972)
Change in net assets attributable to beneficiaries	49,605	(10,167)	6,122	3,520	(466)	1,566	23	92	50,295
Balance at March 31, 2020	\$ 850,112	429,654	448,427	204,712	28,469	26,202	824	3,761	\$ 1,992,161
Change in net assets attributable to beneficiaries before undernoted:	29,972	32,549	6,032	(3,591)	1,285	(2,969)	11	88	63,377
Client Capital Contributions during the year	236,608	64,793	151,419	81,778	709	44	3,476	-	538,827
Client Capital Distributions during the year	(200,771)	(55,986)	(107,816)	(32,369)	(89)	(1)	-	(46)	(397,078)
Funds escheated to the Crown (note 14)	-	-	-	(2,850)	-	-	-	-	(2,850)
Change in net assets attributable to beneficiaries	65,809	41,356	49,635	42,968	1,905	(2,926)	3,487	42	202,276
Balance at March 31, 2021	\$ 915,921	471,010	498,062	247,680	30,374	23,276	4,311	3,803	\$ 2,194,437

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

Statement of changes in equity of the Administration Fund

(in thousands of dollars)

	Assurance Fund	Litigation Reserve Fund	Reserve for Doubtful Accounts	Capacity Assessment Fund	Total Funds and Reserves	Unappropriated Fund	Total
Balance at March 31, 2019	\$ 14,300	3,000	100	100	17,500	116,870	\$ 134,370
Total loss for the year	-	-	-	-	-	(207)	(207)
Transfers to/(from) reserves							
Transfers made during the year	476	59	-	35	570	(570)	-
Reserves released during the year	(476)	(59)	-	(35)	(570)	570	-
Total decrease in equity	-	-	-	-	-	(207)	(207)
Balance at March 31, 2020	\$ 14,300	3,000	100	100	17,500	116,663	\$ 134,163
Total income for the year	-	-	-	-	-	24,741	24,741
Transfers to/(from) reserves							
Transfers made during the year	(142)	116	-	42	16	(16)	-
Reserves released during the year	142	(116)	-	(42)	(16)	16	-
Total increase in equity	-	-	-	-	-	24,741	24,741
Balance at March 31, 2021	\$ 14,300	3,000	100	100	17,500	141,404	\$ 158,904

Statement of Cash flows

For the year ended March 31

in thousands of dollars

	Estates and Trusts		Administration Fund	
	2021	2020	2021	2020
Cash flows from operating activities				
Total Comprehensive Income (Loss)				
Estates and Trusts				
Change in net assets attributable to beneficiaries before undernoted:	\$ 63,377	\$ (4,020)	\$ -	\$ -
Client Capital Contributions during the year	538,827	577,865	-	-
Client Capital Distributions during the year	(397,078)	(519,578)	-	-
Funds escheated to the Crown	(2,850)	(3,972)	-	-
Change in net assets attributable to beneficiaries	202,276	50,295	-	-
Administration Fund	-	-	24,741	(207)
Adjustments for:				
Non-cash Client Capital Contributions	(156,096)	(138,860)	-	-
Non-cash Client Capital Distributions	54,534	23,510	-	-
Net unrealized (gain)/loss on investments and foreign currency at fair value	(37,049)	17,073	(15,715)	9,035
Investment income reinvested	(10,566)	(7,859)	(8,178)	(5,305)
Changes in working capital items				
Accounts receivable	400	(2)	(627)	(697)
Accounts payable and accrued liabilities	1,266	14,169	(2,656)	2,865
Net cash (used in) from operating activities	54,765	(41,674)	(2,435)	5,691
Cash flows from investing activities				
Acquisition of investments	(2,192,204)	(1,520,136)	(43)	(2,746)
Proceeds from sale of investments	2,110,143	1,516,598	-	-
Proceeds from sale of real estate	43,420	57,970	-	-
Net decrease/(increase) in other assets	(445)	(1,395)	-	-
Net cash (used in) from investing activities	(39,086)	53,037	(43)	(2,746)
Increase (decrease) in cash and cash equivalents	15,679	11,363	(2,478)	2,945
Cash and cash equivalent, beginning of the year	98,783	87,420	3,542	597
Cash and cash equivalent, end of the year	\$ 114,462	\$ 98,783	\$ 1,064	\$ 3,542

Notes to financial statements

March 31, 2021 and March 31, 2020

1. Reporting entity

The Office of the Public Guardian and Trustee for the Province of Ontario, Canada ("The Public Guardian and Trustee" or "OPGT") is part of the Province of Ontario's Ministry of the Attorney General. The Public Guardian and Trustee is appointed under *The Public Guardian and Trustee Act* and performs duties under a number of statutes with the following main responsibilities:

- The guardianship of property of incapable adults;
- The administration of estates of persons who have died in Ontario intestate and without next-of-kin;
- The gathering of assets reverting to the Crown under the Escheats Act;
- The management of funds, mortgages and securities paid into or lodged with the Accountant of the Superior Court of Justice on behalf of minors and litigants; and
- A general supervisory role over charitable property.

The Public Guardian and Trustee has perpetual succession and an official seal and may sue and be sued in his or her corporate name. The Office of The Public Guardian and Trustee has close to 400 staff located in six regional offices throughout the Province of Ontario with the main office located in Toronto at 595 Bay Street, Suite 800, Toronto, ON, M5G 2M6.

These financial statements comprise the following:

- | | |
|-------------------------|---|
| a) Estates and Trusts: | This represents accounts administered by The Public Guardian and Trustee acting as guardian or trustee under the <i>Substitute Decisions Act</i> , the <i>Public Guardian and Trustee Act</i> , the <i>Crown Administration of Estates Act</i> , the <i>Estates Act</i> and various other statutes. |
| b) Administration Fund: | <p>This represents the operating account of The Public Guardian and Trustee. The Administration Fund is used to accumulate fees charged to each estate and trust for services as prescribed by the Fee Schedule created pursuant to <i>The Public Guardian and Trustee Act</i>. Operating grants are received as required from the Ministry of the Attorney General to fund the operations of OPGT.</p> <p>Cash balances in the Administration Fund which are not required for operating purposes are invested along with the cash funds of Estates and Trusts. The Administration Fund receives the net interest income of these investment activities, after interest is distributed on the funds of Estates and Trusts in accordance with the interest rates prescribed by <i>The Public Guardian and Trustee Act</i>.</p> |

The Public Guardian and Trustee in its capacity as Accountant of the Superior Court of Justice also acts as custodian of miscellaneous securities and documents having a face value of \$376,000 (March 31, 2020: \$385,000) and mortgages as required. These amounts are not reflected in the financial statements as The Public Guardian and Trustee does not act as trustee of these funds but simply as custodian of the instruments on behalf of the client. The Public Guardian and Trustee as custodian also holds letters of credit, lien bonds, guardianship bonds and performance guarantee bonds for litigants.

The Public Guardian and Trustee is exempt from federal and provincial income taxes under the Income Tax Act (Canada).

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

These financial statements were authorized for issue by the Audit Committee of The Public Guardian and Trustee on June 21, 2021.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

2. Basis of preparation (continued)

(b) Basis of measurement

These financial statements have been prepared on the historical cost basis except for the investments at fair value through profit or loss in the statement of financial position which are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the functional currency for OPGT. Except as otherwise indicated, all financial information presented in Canadian dollars has been rounded to the nearest thousand dollars.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

The OPGT's management has made significant judgments when determining the classification and measurement of financial instruments under IFRS 9, Financial Instruments (IFRS 9). These judgments centre upon a cash flow characteristic and business model analysis. This analysis results in OPGT's financial assets being measured at fair value through profit or loss due to factors including management of the financial assets on a fair value basis or, based on the OPGT's intent to collect cash flows until maturity, measuring the financial assets at amortized cost.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year relates to the valuation of investments. Details are included in notes 3(c), 3(d) and note 5.

(e) New accounting standards and amendments to existing standards

Accounting standards not yet applicable

There are no IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on OPGT.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

3. Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency

Transactions in foreign currencies are translated into Canadian Dollars using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are converted to Canadian Dollars at the exchange rate at the reporting period end date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in Canadian Dollars at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the reporting period end date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Canadian Dollars at the exchange rate on the reporting period end date. Foreign currency differences arising on translation are recognized in profit or loss on a net basis.

(b) Net Investment Income/(loss)

Net investment income/(loss) comprises interest income on funds invested, and change in fair value on investments at fair value through profit and loss comprising dividend income, gains (losses) on the disposal of investment securities, other realized and unrealized fair value changes and impairment losses recognized on financial assets.

Interest income and expense is recognized on an accrual basis in profit or loss, using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial instrument (or, when appropriate, a shorter period) to the carrying amount of the financial instrument. When calculating the effective interest rate, estimates are made of future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

(c) Financial assets and liabilities

(i) Financial assets

OPGT classifies its financial assets based on both OPGT's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

OPGT classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether OPGT has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). OPGT reclassifies debt investments when and only when its business model for managing those assets changes.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

3. Significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

(i) Financial assets (continued)

The Public Guardian and Trustee does not enter into derivative financial contracts. The OPGT may have indirect exposure to derivatives through investments held within its funds.

Financial assets at fair value through profit or loss

At initial recognition, The Public Guardian and Trustee measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on OPGT's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which OPGT classifies its debt instruments:

- **Amortized cost** (includes investments held in Fixed Income funds): Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in Interest income from fixed income funds using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of income and comprehensive income (if applicable).
- **FVOCI**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of income and comprehensive income. OPGT does not hold any debt or any equity securities as FVOCI.
- **FVPL**: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/(losses) in the period in which it arises.

All of OPGT's debt investments at amortized cost are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months expected losses. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

OPGT has classified its fixed income fund investments as amortized cost.

Equity instruments

OPGT subsequently measures all equity investments at fair value. Dividends from such investments continue to be recognized in profit or loss when OPGT's right to receive payments is established.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

3. Significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

(i) Financial assets (continued)

Equity instruments (continued)

Changes in the fair value of financial assets at FVPL are recognized in Other net changes in fair value of financial assets at FVPL in the statement of income and comprehensive income as applicable.

Financial assets at fair value through profit or loss comprise investments in client-owned bonds and other debt securities, the Diversified fund, the Canadian income and dividend fund and client-owned equity securities, which had previously been designated at fair value through profit or loss. These securities are classified as fair value through profit or loss.

Financial assets are derecognized when the contractual rights to the cash flows from the asset expire, or when the rights to receive the contractual cash flows or when substantially all the risks and rights of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, OPGT has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, current bank balances and short-term deposits with banks. All cash equivalents are highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

(ii) Financial liabilities

Financial liabilities are recognized initially on the date at which The Public Guardian and Trustee on behalf of Estates and Trusts and the Administration Fund become a party to the contractual provisions of the instrument. The Public Guardian and Trustee on behalf of the Estates and Trusts and the Administration Fund derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities comprise accounts payable and accrued liabilities. These financial liabilities are recognized initially at fair value plus any directly attributable transaction costs.

(iii) Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction on the measurement date. Fair value does not take into consideration transaction costs expected to be incurred on transfer or disposal of a financial instrument.

The Public Guardian and Trustee on behalf of Estates and Trusts and the Administration Fund measures the fair value of an instrument using quoted prices in an active market for that instrument. A market is regarded as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis.

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price, i.e., the fair value of the consideration given or received, unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When transaction price provides the best evidence of fair value at initial recognition, the financial instrument is initially measured at the transaction price and any difference between this price and the value initially obtained from a valuation model is subsequently recognized in profit or loss on an appropriate basis over the life of the instrument but not later than when the valuation is supported wholly by observable market data or the transaction is closed out.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

3. Significant accounting policies (continued)

(c) Financial assets and liabilities (continued)

(III) Fair value measurement (continued)

Equity and fixed income securities publicly traded are measured at the exchange traded close price and mid price, respectively. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the counter party where appropriate.

(d) Real estate and other assets

Real estate included within the statement of financial position primarily represents residential properties currently owned by clients of The Public Guardian and Trustee. Other assets comprise jewellery, art, collectibles, nominal assets, vehicles, cash value of insurance policies, prepaid funeral costs and similar items. The IFRS Framework identifies acceptable measurement bases for all assets, which include cost and fair value.

The policy is to measure real estate assets and other assets at cost. Cost is determined as the fair value when the asset is initially recognized.

(e) Employee benefits

(I) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term employee benefit plans if the Administration Fund has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(II) Post-employment benefits

Staff of The Public Guardian and Trustee are employees of the Ontario Public Service which provides pension benefits to its employees through participation in the Public Service Pension Plan and the Ontario Public Service Employees' Union Pension Plan. The Province funds the employer's contribution to the Pension Plans. In addition, the cost of post-retirement, non-pension employee benefits are paid by the Province. As such, The Public Guardian and Trustee makes no contributions to these post-employment benefit plans. There is no contractual agreement or stated policy for charging the net benefit cost for the plans as a whole (measured in accordance with IAS 19, *Employee Benefits*) to individual reporting entities of the Government of Ontario. As a result, the costs associated with post-employment benefits are not reflected in the financial statements.

(f) Income and expenses

Income from pensions, social benefits and settlements and items of a related nature is recognized when received or receivable. Other income comprising compensation, transaction and service fees are recognized as the related services are performed.

Expenses are recognized as incurred on an accrual basis. Investment management fees, placement and transaction fees that do not qualify for inclusion as part of the initial measurement of an asset are expensed as the services are received.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

3. Significant accounting policies (continued)

(g) Government grants

Grants are in the form of funding of The Public Guardian and Trustee's operating expenses as the expenses are incurred and recognized. Grants that compensate the Administration Fund for the operations of The Public Guardian and Trustee by way of amounts recovered from the Ministry of the Attorney General, are recognized in net income or loss as income on a systematic basis in the same periods in which the expenses are recognized.

(h) Funds and reserves – Administration Fund

Assurance Fund

The *Public Guardian and Trustee Act* and the regulations under the Act provide that an Assurance Fund shall be established to meet losses for which The Public Guardian and Trustee might become liable. During the year, the Assurance Fund recovered \$142,000 which was returned to the Unappropriated Fund. In 2020, the Assurance Fund released and was reimbursed \$476,000 by the Unappropriated Fund.

Litigation Reserve Fund

This reserve is used to cover expenses and costs of legal proceedings paid by The Public Guardian and Trustee on behalf of its litigation guardian clients. During the year, legal costs incurred on behalf of clients of \$116,000 (2020: \$59,000) were released from this reserve and were reimbursed by the Unappropriated Fund.

Reserve for Doubtful Accounts

The intent of this reserve is to provide for all clients' accounts whereby The Public Guardian and Trustee has advanced funds on a client's behalf and has a statutory lien pursuant to section 8.1 of the *Public Guardian and Trustee Act* but may not be able to recover the amount from the client. During the year, \$nil (2020: \$nil) was paid from the Reserve for Doubtful Accounts.

Capacity Assessment Fund

This reserve was set up to cover fees of capacity assessors when a client is unable to pay costs of an assessment or re-assessment. During the year, the Capacity Assessment Fund released and was reimbursed \$42,000 (2020: \$35,000) by the Unappropriated Fund.

Unappropriated Fund

Pursuant to Section 9(5) of the *Public Guardian and Trustee Act*, the Lieutenant Governor in Council may from time to time direct the payment into the Consolidated Revenue Fund of the Province of any balance at the credit of the Administration Fund. During 2021 and 2020, no such direction was received and no transfers were made during the year.

(i) Provisions

A provision is recognized if, as a result of a past event, The Public Guardian and Trustee has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

4. Investments in financial assets

4.1 Estates and Trusts – cash and cash equivalents, bonds and other debt securities – client owned

As at March 31

(In thousands of dollars)

	2021	2020
Cash and cash equivalents		
Cash	30,186	21,966
Cash equivalents	84,276	76,817
	114,462	98,783
Client owned – Bonds and other debt securities		
Bonds – Federal Government	310	369
Bonds – Provincial Governments	312	889
Bonds – Corporate	16,351	14,782
Other Debt Securities – Financial institutions	52,094	48,045
	69,067	64,085
	183,529	162,868

These balances do not include client holdings by way of their investment in Public Guardian and Trustee Funds by virtue of their unit holdings in the various OPGT funds.

Cash equivalents, notes and bonds have an annual interest rate of between 0.0–8.0% (2020: 0.0–8.0%) and, at the reporting date, have remaining maturity periods ranging between 0–35 years (2020: 0–15 years).

Interest rates on notes and bonds with maturities greater than one year are as follows:

	2021	2020
Bonds – Federal Government		
1–3 years	8.0%	0.0–1.4%
3 years +	0.1–2.2%	2.2–8.0%
Bonds – Provincial Governments		
1–3 years	–	2.1–3.8%
3 years +	0.0%	3.1%
Bonds – Corporate		
1–3 years	–	–
3 years +	1.4%	3.4%
Financial institutions		
1–3 years	0.0–4.2%	0.0–4.2%
3 years +	0.0–7.3%	0.0–3.4%

Interest income is distributed to client accounts based on an interest rate as approved by The Public Guardian and Trustee's Investment Advisory Committee. The approved rates and effective dates for Canadian dollars during the year ending March 31, 2021 and March 31, 2020, were as follows:

	Oct 1st, 2018	Jun 1st, 2019	Dec 1st, 2019	Jun 1st, 2020	Oct 1st, 2020	Mar 1st, 2021
Effective From:						
Interest rate - CAD	2.25%	2.35%	2.25%	2.10%	1.85%	1.75%

The approved rates and effective dates for United States dollars during the year ending March 31, 2021 and March 31, 2020, were as follows:

	Mar 1st, 2019	Oct 1st, 2019	Dec 1st, 2019	Jun 1st, 2020	Oct 1st, 2020	Mar 1st, 2021
Effective From:						
Interest rate - USD	2.50%	2.25%	2.00%	1.25%	0.30%	0.17%

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

4. Investments in financial assets (continued)

4.2 Diversified fund

The Public Guardian and Trustee has a Diversified fund that includes high quality equity and fixed income securities. This fund is a unitized trust and was established in order to provide an alternative for those clients whose investment objectives require a broader, longer range investment strategy. The fund is subject to the investment guidelines of the *Trustee Act* and the guidelines and limitations as set by The Public Guardian and Trustee with emphasis on the need to preserve and enhance capital over the longer term.

As at March 31 (In thousands of dollars)	2021	2020
Cash	6,208	901
Short-term notes	4,560	414
Bonds	69,018	75,277
Canadian equity securities	79,963	56,878
Foreign equity securities	60,015	46,537
Net other assets/(liabilities)	(5,119)	29
	214,645	180,036

The short-term notes and bonds yield, on a fair value basis, annual interest of between 0.0–8.7% (2020: 0.5–8.7%) and, at the reporting date, have remaining maturity periods ranging between 1 day to 60 years (2020: 1 day to 59 years). The weighted average yield on investments in Canadian and Foreign equity securities is 2.11% (2020: 3.00%).

The financial assets held in the Diversified fund as at March 31 are held by:

In thousands of dollars

	2021	2020
Estates and Trusts	106,773	91,088
Administration Fund	107,872	88,948
	214,645	180,036

The investment returns on this fund accrue directly to the unit holders.

4.3 Canadian Income and dividend fund

The Public Guardian and Trustee has a Canadian income and dividend fund that consists of a balanced portfolio of high quality income-producing Canadian securities. The fund includes dividend-paying common and preferred equities and fixed income securities intended to generate a consistent stream of income and long-term capital appreciation. The fund is subject to the investment guidelines of the *Trustee Act* and the guidelines and limitations as set by The Public Guardian and Trustee.

As at March 31 (In thousands of dollars)	2021	2020
Cash	469	33
Short-term notes	1,939	6,536
Bonds	62,728	58,726
Canadian equity securities	78,552	64,145
Net other assets/(liabilities)	(339)	(3,030)
	143,349	126,410

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

4. Investments in financial assets (continued)

4.3 Canadian income and dividend fund (continued)

The short term notes and bonds yield, on a fair value basis, annual interest of between 0.0–8.0% (2020: 0.0–8.0%) and, at the reporting date, have remaining maturity periods ranging between 5 days to 10 years (2020: 35 days to 10 years). The average yield on investments in Canadian equity securities is 4.50% (2020: 5.57%).

The financial assets held in the Canadian income and dividend fund as at March 31 are held by:

	2021	2020
<i>(In thousands of dollars)</i>		
Estates and Trusts	111,908	99,943
Administration Fund	31,441	26,467
	143,349	126,410

The income earned in this fund may be distributed in cash to unit holders monthly or reinvested in this fund.

4.4 Equity securities – client owned

As at March 31

(In thousands of dollars)

	2021	2020
Canadian listed securities	64,364	47,370
United States listed securities	3,718	1,996
Other listed securities	18,610	13,094
Unlisted securities	201	528
	86,893	62,988

These balances do not include indirect client holdings by way of their investment in Public Guardian and Trustee Funds by virtue of unit holdings in the various OPGT funds.

4.5 Fixed Income funds

As at March 31

(In thousands of dollars)

	2021	2020
Bonds – Federal Government	207,137	78,966
Bonds – Provincial and Municipal Governments	378,042	387,334
Bonds – Corporate	1,026,442	1,043,087
Cash and Accrued Interest	129	1,435
	1,611,750	1,510,822

The bonds yield (at cost) annual interest of between 1.13-7.50% (2020: 1.55-7.50%) and, at the reporting date, have remaining maturity periods ranging between 1 day to 5 years (2020: 1 day to 5 years).

The financial assets held in the fixed income funds as at March 31 are held by:

(In thousands of dollars)

	2021	2020
Estates and Trusts	1,590,899	1,490,009
Administration Fund	20,851	20,813
	1,611,750	1,510,822

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management

The Public Guardian and Trustee has exposure to credit risk, liquidity risk and market risk arising from financial instruments. This note presents information about OPGT's exposure to each of the above risks, and the OPGT's objectives, policies and processes for management of capital and measuring and managing risk.

5.1 Credit risk

Management of credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with The Public Guardian and Trustee, resulting in a financial loss to the Estates and Trusts and the Administration Fund. Credit risk arises principally from cash and cash equivalents, debt securities held, and accounts receivables.

The Public Guardian and Trustee mitigates this risk by engaging experienced investment managers and structuring their investment policies and goals to minimize the risk to clients' capital. In particular, investments in lower investment grade fixed income instruments (typically a rating of BBB) are minimized. As well, investment managers are required to report immediately adverse changes in the credit ratings of financial instruments.

Impairment of Financial Assets – At each reporting date, OPGT's management measures the loss allowance for financial assets carried at amortized cost. If, at the reporting date, the credit risk has increased significantly since initial recognition, management measures the loss allowance at an amount equal to the lifetime expected credit losses. If, at the reporting date, the credit risk has not increased significantly since initial recognition, OPGT measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties and probability that the counterparty may default in payments are considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

OPGT's management measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due or on a low quality credit standing. Any contractual payment which is more than 90 days past due is considered credit impaired. As at March 31, 2021 and March 31, 2020, all amounts receivable for investments sold, cash or short term deposits are held with high credit quality counterparties. Management considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to a Fund.

Client accounts receivable are reviewed on an individual basis; any necessary adjustments to amounts recorded are made at that time.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management (continued)

5.1 Credit risk (continued)

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date for the financial assets of both Estates and Trusts and the Administration Fund was:

As at March 31 (In thousands of dollars)	Estates and Trusts 2021	Estates and Trusts 2020	Administra- tion Fund 2021	Administra- tion Fund 2020
Cash and cash equivalents	114,462	98,783	1,064	3,542
Accounts receivable	4,884	5,284	3,323	2,696
Investments at fair value through profit or loss:				
Bonds and other debt securities– client owned	69,067	64,085	-	-
Diversified fund ¹	39,689	38,751	40,097	37,841
Canadian income and dividend fund ¹	50,850	51,624	14,286	13,671
Fixed income funds	1,590,899	1,490,009	20,851	20,813
	1,869,851	1,748,536	79,621	78,563

¹Financial assets within these funds that are subject to credit risk are limited to cash, short-term notes, and bonds. See also notes 4.2 and 4.3.

Credit quality

As at March 31, Estates and Trusts and the Administration Fund hold unit investments in The Public Guardian and Trustee's unit funds that have underlying debt securities with the following credit quality:

Debt Securities

	2021	2020
AAA/Aaa	20.85%	18.09%
AA/Aa	74.38%	79.15%
BBB/Baa	4.77%	2.76%

Concentration of credit risk

As at March 31, the debt securities of Estates and Trusts and the Administration Fund hold unit investments in The Public Guardian and Trustee's unitized funds that have underlying debt securities that were concentrated in the following sectors:

Debt Securities

	2021	2020
Government and public sector	58.78%	65.17%
Banks and financial services	25.53%	23.49%
Other corporate	15.69%	11.34%

Past due and impaired assets

No financial assets carried at amortized cost were past due or impaired at March 31, 2021 and 2020.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management (continued)

5.2 Liquidity risk

Liquidity risk is the risk that The Public Guardian and Trustee may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The objective of The Public Guardian and Trustee is to ensure that adequate financial resources are available to meet ongoing requirements and to discharge the obligations of Estates and Trusts and the Administration Fund. The Public Guardian and Trustee mitigates liquidity risk by maintaining significant holdings in short-term, liquid, money market instruments within OPGT's fixed income funds.

Maturity analysis for financial instruments

As at March 31, 2021 and 2020, the financial assets and liabilities of Estates and Trusts and the Administration Fund had the following remaining contractual maturity profile:

Estates and trusts 2021

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	114,462	114,462	-	-
Accounts receivable	4,884	4,430	-	454
Investments at fair value through profit or loss:				
Bonds and other debt securities – client owned	69,067	27,080	28,159	13,828
Diversified fund	106,773	73,269	646	32,858
Canadian income and dividend fund	111,908	61,504	4,482	45,922
Equity securities – client owned	86,893	86,893	-	-
Fixed income funds	1,590,899	269,896	211,327	1,109,676
	<u>2,084,886</u>	<u>637,534</u>	<u>244,614</u>	<u>1,202,738</u>
Financial liabilities				
Accounts payable and accrued liabilities	94,527	2,913	-	91,614
Net assets attributable to beneficiaries of Estates and Trusts	2,194,437	1,847,728	39,082	307,627
	<u>2,288,964</u>	<u>1,850,641</u>	<u>39,082</u>	<u>399,241</u>

2020

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	98,783	98,783	-	-
Accounts receivable	5,284	3,949	-	1,335
Investments at fair value through profit or loss:				
Bonds and other debt securities – client owned	64,085	26,131	12,126	25,828
Diversified fund	91,088	53,010	2,300	35,778
Canadian income and dividend fund	99,943	48,589	5,762	45,592
Equity securities – client owned	62,988	62,988	-	-
Fixed income funds	1,490,009	271,876	197,711	1,020,422
	<u>1,912,180</u>	<u>565,326</u>	<u>217,899</u>	<u>1,128,955</u>
Financial liabilities				
Accounts payable and accrued liabilities	93,261	4,083	-	89,178
Net assets attributable to beneficiaries of Estates and Trusts	1,992,161	1,672,677	38,156	281,328
	<u>2,085,422</u>	<u>1,676,760</u>	<u>38,156</u>	<u>370,506</u>

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management (continued)

5.2 Liquidity risk (continued)

Administration Fund 2021

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	1,064	1,064	-	-
Accounts receivable	3,323	3,323	-	-
Investments at fair value through profit or loss:				
Diversified fund	107,872	74,023	653	33,196
Canadian income and dividend fund	31,441	17,280	1,259	12,902
Fixed income funds	20,851	3,537	2,770	14,544
	<u>164,551</u>	<u>99,227</u>	<u>4,682</u>	<u>60,642</u>
Financial liabilities				
Accounts payable and accrued liabilities	5,647	5,647	-	-
	<u>5,647</u>	<u>5,647</u>	<u>-</u>	<u>-</u>

2020

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	3,542	3,542	-	-
Accounts receivable	2,696	2,696	-	-
Investments at fair value through profit or loss:				
Diversified fund	88,948	51,765	2,246	34,937
Canadian income and dividend fund	26,467	12,867	1,526	12,074
Fixed income funds	20,813	3,798	2,762	14,253
	<u>142,466</u>	<u>74,668</u>	<u>6,534</u>	<u>61,264</u>
Financial liabilities				
Accounts payable and accrued liabilities	8,303	8,303	-	-
	<u>8,303</u>	<u>8,303</u>	<u>-</u>	<u>-</u>

5.3 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect investment income or the value of the holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Financial markets have experienced significant volatility in response to the COVID-19 pandemic. The investment portfolios of the OPGT have been subject to these market fluctuations and may continue to experience significant volatility in response to COVID-19 as the situation continues to evolve.

Market risk comprises currency risk, interest rate risk and other price risks (including equity price risk).

5.3.1 Currency risk

Currency risk is the risk that the fair value of investment assets and earnings on those assets will fluctuate as a result of changes in foreign exchange rates. Investments in the Diversified fund are exposed to this risk which is also part of the return potential in the fund. Hedging foreign currency exposure is considered by management as part of an annual review of investment policies. OPGT's management did not undertake any hedging activities as of March 31, 2021 and 2020.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management (continued)

5.3 Market risk (continued)

5.3.1 Currency risk (continued)

At March 31, the carrying value of net financial assets and liabilities held in foreign currencies expressed in Canadian Dollars is as follows:

In thousands of dollars

Estates and Trusts

United States Dollars

Euros

Other foreign currencies

2021	2020
41,519	31,294
4,631	3,273
15,688	13,320
61,838	47,887

The table below sets out the impact on net financial assets and liabilities from a reasonably possible weakening of the Canadian Dollar against the other currencies by 5% (2020: 5%) at March 31. The analysis assumes that all other variables, in particular interest rates, remain constant.

In thousands of dollars

United States Dollars

Euros

Other foreign currencies

2021	2020
2,076	1,565
232	164
784	666
3,092	2,395

A strengthening of the Canadian Dollar against the other currencies would have resulted in a proportionate but opposite effect to the amounts shown above.

5.3.2 Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. By adopting a hold to maturity policy on its fixed income funds, The Public Guardian and Trustee has significantly mitigated this risk, particularly for short-term, temporary movements in market interest rates.

The table below sets out the impact on the net financial assets and liabilities from an increase of 75 basis points in interest rates as at March 31. The impact of such an increase has been estimated by calculating the fair value changes of the fixed interest debt securities, excluding the fixed income funds which are measured at amortized cost. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

In thousands of dollars

Impact on client (Estates and Trusts) and
Administration fund assets

2021	2020
(2,921)	(3,089)

A decrease of 75 basis points in interest as at March 31 would have resulted in a proportionate but opposite effect to the amounts shown above.

5.3.3 Equity price risk

Equity price risk is the risk that the fair value of equity securities will fluctuate as a result of changes in the market price of equity instruments whether caused by factors specific to an individual investment or factors affecting all instruments traded in the market which, for international equities, includes changes in currency rates.

The Public Guardian and Trustee has mitigated this risk by engaging experienced investment managers and structuring their investment policies and goals, including limits on the holding of individual securities, limits on the investments in non-government debt, and defining asset component ranges to minimize the risk to clients' capital. As well, investments in financial instruments that are subject to changes in market prices, including equity securities, are undertaken only when the client can invest for a medium to longer term.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management (continued)

5.3 Market risk (continued)

5.3.3 Equity price risk (continued)

Investments are made in funds, namely the Diversified fund and the Canadian income and dividend fund that have the following benchmarks for concentration of asset portfolios:

Diversified fund:

- Equity investments listed on Canadian stock exchanges - 50% of fund assets
- Equity investments listed on US stock exchanges - 25% of fund assets
- Equity investments listed on other stock exchanges - 25% of fund assets
- Unlisted equity investments - none

Canadian income and dividend fund:

- Equity investments listed on Canadian stock exchanges - 100% of fund assets

Investment managers are permitted to vary from these benchmarks within stipulated limits.

Investment managers further monitor concentration of risk based on counterparties and industry sectors. At March 31, equity investments are concentrated in the following sectors:

	2021	2020
Banks and financial services	55%	52%
Industrial and manufacturing	26%	28%
Information technology	9%	12%
Retail	7%	5%
Other	3%	3%
	100%	100%

The table below sets out the impact on the net financial assets and liabilities from a reasonably possible decrease of 15% (2020: 15%) in the price of individual equity securities as at March 31. This analysis assumes that all other variables, in particular interest and foreign currency rates, remain constant. The impact of COVID-19 has resulted in, and in many cases continues to result in, greater price volatility. As a result, a reasonable possible change of 15% is used to account for the higher continuing volatility experienced by the OPGT as at March 31, 2021.

In thousands of dollars

	2021	2020
Impact on value of equity securities	(45,814)	(34,582)

A strengthening in the individual equity market prices of 15% (2020: 15%) as at March 31 would have resulted in a proportionate but opposite effect to the amounts shown above.

5.4 Fair value disclosures

The accounting policy for fair value measurements is detailed in accounting policy 3c(iii).

5.4.1 Fair values versus carrying amounts

The carrying amounts approximate fair value for all financial assets and liabilities, except for the fixed income funds, which are measured at amortized cost, and for real estate, whose fair values for the Estates and Trusts administered by OPGT are \$1,623,922,000 (2020: \$1,505,532,000) and \$223,868,000 (2020: \$183,868,000) respectively. As a result, the fair value of net assets attributable to beneficiaries of Estates and Trust clients is \$2,263,093,000 (2020: \$2,034,228,000).

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management (continued)

5.4 Fair value disclosures (continued)

5.4.2 Fair value hierarchy

The fair value measurements used by The Public Guardian and Trustee place the highest priority on observable market inputs and the lowest priority on unobservable internally developed inputs. Accordingly, The Public Guardian and Trustee classifies its assets and liabilities that are measured at fair value, or for which fair value information is disclosed, within a three-level valuation hierarchy that reflects the inputs to valuation techniques used to determine fair value. Level 1 represents valuations based on unadjusted quoted prices in active markets for identical assets or liabilities, level 2 comprises valuations using models or techniques that incorporate observable market information and level 3 comprises valuations based on models without observable market information as inputs. The classification determination is based on the lowest level of input that is significant to the valuation.

The following fair value hierarchy table presents information about financial assets measured at fair value on a recurring basis as of March 31, 2021 and March 31, 2020.

Estates and Trusts

As of March 31, 2021

In thousands of dollars

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
Bonds and other debt securities – client owned	-	69,067	-	69,067
Diversified fund – equity	69,631	-	-	69,631
Diversified fund – bonds	-	34,332	-	34,332
Canadian income and dividend fund – equity	61,323	-	-	61,323
Canadian income and dividend fund – bonds	-	48,970	-	48,970
Equity securities – client owned	86,692	201	-	86,893
	217,646	152,570	-	370,216

As of March 31, 2020

In thousands of dollars

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
Bonds and other debt securities – client owned	-	64,085	-	64,085
Diversified fund – equity	52,322	-	-	52,322
Diversified fund – bonds	-	38,086	-	38,086
Canadian income and dividend fund – equity	50,715	-	-	50,715
Canadian income and dividend fund – bonds	-	46,430	-	46,430
Equity securities – client owned	62,460	528	-	62,988
	165,497	149,129	-	314,626

Administration Fund

As of March 31, 2021

In thousands of dollars

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
Diversified fund – equity	70,347	-	-	70,347
Diversified fund – bonds	-	34,686	-	34,686
Canadian income and dividend fund – equity	17,229	-	-	17,229
Canadian income and dividend fund – bonds	-	13,758	-	13,758
	87,576	48,444	-	136,020

As of March 31, 2020

In thousands of dollars

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
Diversified fund – equity	51,093	-	-	51,093
Diversified fund – bonds	-	37,191	-	37,191
Canadian income and dividend fund – equity	13,430	-	-	13,430
Canadian income and dividend fund – bonds	-	12,296	-	12,296
	64,523	49,487	-	114,010

The fair value of bonds and equities categorized in Level 2 was determined by obtaining quoted market prices or executable dealer quotes for identical or similar instruments in inactive markets, or other inputs that are observable or can be corroborated by observable market data.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

5. Financial risk management (continued)

5.4 Fair value disclosures (continued)

5.4.2 Fair value hierarchy (continued)

Transfers between fair value hierarchy levels are considered effective from the beginning of the reporting period in which the transfer is identified. During 2021 and 2020 there were no significant transfers of financial instruments between Level 1 and Level 2.

For assets and liabilities carried at amortised cost, their carrying values are a reasonable approximation of fair value.

5.5 Capital management

The Public Guardian and Trustee's operating capital is shown in the Administration Fund, and consists of various specific purpose funds and an unappropriated fund (detailed in the statement of changes in equity of the Administration Fund).

The Public Guardian and Trustee's primary objective when managing its Administration Fund is to safeguard its ability to continue operations and provide adequate resources to service clients and safeguard clients' interests. The Public Guardian and Trustee expects the current balance in the Administration Fund, together with future cash flows from operations, to be sufficient to support The Public Guardian and Trustee's ability to operate on an ongoing basis and to meet this objective.

A secondary objective is to use available funds, not required to meet the primary objective, to modernize the infrastructure of the office of The Public Guardian and Trustee.

The Public Guardian and Trustee has invested part of its Administration Fund in the Diversified and Canadian income and dividend funds. Investment income earned is, in part, used to replenish the various specific purpose funds for expenses incurred.

6. Accounts receivable

As at March 31

In thousands of dollars

	Estates and Trusts 2021	Estates and Trusts 2020	Administra- tion Fund 2021	Administra- tion Fund 2020
Accrued revenue	-	-	3,284	2,686
Balances due from the Federal and Provincial Government, its Agencies and Crown Corporations	-	-	31	10
Balances due from the Administration Fund	2,280	2,811	-	-
Other receivables	2,604	2,473	8	-
	4,884	5,284	3,323	2,696

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

7. Other assets

As at March 31

In thousands of dollars

	Estates and Trusts 2021	Estates and Trusts 2020	Administra- tion Fund 2021	Administra- tion Fund 2020
Life Insurance	7,381	7,830	-	-
Prepaid Funerals, Cemetery plots and Burial Instruments	4,914	4,844	-	-
Vehicles	1,694	1,213	-	-
Jewellery	1,183	881	-	-
Furniture and Medical Aid Equipment	865	863	-	-
Collectibles	279	250	-	-
Other	26	26	-	-
Art	21	11	-	-
	16,363	15,918	-	-

8. Accounts payable and accrued liabilities

As at March 31

In thousands of dollars

Accrued expenses	2,427	3,624	3,367	5,540
Balances due to the Federal and Provincial Government, its Agencies and Crown Corporations	31,453	31,702	-	-
Balances due to Estates and Trusts	-	-	2,280	2,763
Other liabilities of Estates and Trust clients	60,647	57,935	-	-
	94,527	93,261	5,647	8,303

Other liabilities of Estates and Trusts include mortgages payable, credit card balances, health facility accommodation fees, and charges for services such as telecommunication and utilities.

9. Fees charged by the Administration Fund to Estates and Trusts

For the year ended March 31

In thousands of dollars

	Administration Fund 2021	Administration Fund 2020
Client trusts	23,623	23,344
Deceased Estates	3,527	3,578
Minors	2,613	2,891
Litigants	2,828	2,698
Cemetery trusts	226	227
Forfeited corporate assets/corporate trusts	23	7
	32,840	32,745

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

10. Change in fair value on investments at fair value through profit or loss

For the year ended March 31

In thousands of dollars

	Estates and Trusts 2021	Estates and Trusts 2020	Administra- tion Fund 2021	Administra- tion Fund 2020
Bonds and other debt securities – client owned	4,107	4,985	-	-
Diversified fund	15,965	(667)	18,925	(2,387)
Canadian income and dividend fund	18,069	(4,293)	4,973	(1,153)
Equity securities-client owned	14,945	(418)	-	-
	53,086	(393)	23,898	(3,540)

11. Salaries, wages and benefits

For the year ended March 31

In thousands of dollars

	Administration Fund 2021	Administration Fund 2020
Salaries and wages	35,037	33,807
Compulsory employer contributions	2,329	2,382
Other benefits	2,269	2,292
Termination benefits	402	254
	40,037	38,735

12. General Administration

For the year ended March 31

In thousands of dollars

	Administration Fund 2021	Administration Fund 2020
Systems Development and Data Processing	4,846	2,757
Miscellaneous expenses	761	1,052
Leases and rentals	328	325
Security	180	243
Training and education	50	60
	6,165	4,437

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

13. Related party transactions

The Government of the Province of Ontario, its Agencies and its Crown Corporations are related parties to The Public Guardian and Trustee. Under IFRS, a reporting entity is exempt from the disclosure requirements of IAS 24, *Related Party Disclosures* in relation to related party transactions and outstanding balances, including commitments, with a government that has control, joint control or significant influence over the reporting entity and another entity that is a related party because the same government has control, joint control or significant influence over both the reporting entity and the other entity. The Public Guardian and Trustee has used this exemption in preparing these financial statements.

In the normal course of business, transactions occur with the Government of the Province of Ontario, its Agencies and its Crown Corporations and include the following types of transactions and outstanding balances, all of which have been recognized in these financial statements:

- a) Investments in certain financial instruments that are issued by these related parties;
- b) Expenditure on certain services including information technology and telecommunication costs provided by these related parties; and
- c) The Province of Ontario provides funding for the operations of OPGT including expenditures relating to salaries, wages and benefits, transportation and communication costs, supplies, equipment and general administrative costs. In addition, OPGT remits surplus income to the Province of Ontario on a quarterly basis. During the year the Province provided funding amounting to \$47,082,000 (2020: \$44,247,000) and recovered \$27,000,000 (2020: \$24,530,000), for a net grant by the Province of \$20,082,000 (2020: \$19,717,000).

In addition, in the normal course of business, the following transactions are entered into with these related parties at no charge to The Public Guardian and Trustee and therefore are not reflected in the financial statements:

- a) Staff of The Public Guardian and Trustee are employees of the Ontario Public Service which provides pension benefits to its employees through participation in the Public Service Pension Fund and the Ontario Public Service Employees' Union Pension Fund. The Province funds the employer's contribution to the Pension Funds;
- b) The cost of post-retirement, non-pension employee benefits are paid by the Province;
- c) The Public Guardian and Trustee occupies leased premises paid for by the Ministry of the Attorney General; and
- d) The Province provides payroll and payment processing for The Public Guardian and Trustee.

Key management personnel compensation

Staff, including key management personnel are employees of the Ministry of the Attorney General, Ontario Public Service (OPS). All management compensation is in accordance with Management Board of Cabinet Compensation Directives and compensation follows approved OPS compensation practices. This includes public disclosure for all individuals earning more than \$100,000 in a calendar year.

The benefit costs as set out in the schedule below does not include any specific post-employment, termination or other long term benefits but the cost of these benefits are funded by the Province as set out in Note 3(e) (ii).

In addition to the salaries and mandatory employer contributions to government programs (Canada Pension Plan and Employment Insurance), senior managers also participate in various group life, health and dental plans for which the employer shares the premiums.

Notes to financial statements (continued)

March 31, 2021 and March 31, 2020

13. Related party transactions (continued)

Key management personnel are members of the OPGT's Office management committee. Their compensation comprises the following:

<i>In thousands of dollars</i>	Administration Fund 2021	Administration Fund 2020
Salaries and Wages	847	1,095
Employee benefits	20	20

14. Funds Escheated to the Crown

Deceased Estates include estates administered under the *Crown Administration of Estates Act* and the *Estates Act*. The Public Guardian and Trustee is authorized by the *Escheats Act* to take possession of property reverting to the Crown under the *Succession Law Reform Act*. After a period of ten years, any property so received by The Public Guardian and Trustee which remains unclaimed is required to be transferred to the Consolidated Revenue Fund (CRF) of the Province of Ontario. Such property transfers to the CRF are included in the statement of changes in net assets attributable to beneficiaries of Estates and Trusts. During the year, escheats from Deceased Estates totalling \$2,850,000 (2020: \$3,379,000) were transferred to the CRF.

Under the *Escheats Act*, The Public Guardian and Trustee may take possession of assets of dissolved corporations which have been forfeited to the Crown under various corporate statutes. Such property transfers to the CRF are included in the statement of changes in net assets attributable to beneficiaries of Estates and Trusts. During the year, \$0 (2020: \$593,000) was transferred to the CRF.

15. Contingencies and commitments

The Public Guardian and Trustee is involved in various legal actions arising in the normal course of business operations, the outcome and ultimate disposition of which are not determinable at this time. Liabilities for any settlements will be recognized if and when the criteria for recognizing provisions is met (see accounting policy note 3 (i)).

The Public Guardian and Trustee is one of several defendants to a multimillion-dollar civil lawsuit. The Public Guardian and Trustee, based on information available, believes that it may be found liable for some portion of any settlement that may be forthcoming from the litigation process. However, at this time, because of multiple defendants and the complexities of the litigation, it is not possible to assess a degree of probability concerning any outcomes and it is not practicable to determine the financial effect of any potential liability. As a result, The Public Guardian and Trustee has not included a provision for any potential liability in these financial statements.

The Public Guardian and Trustee estimates that any potential settlement is within financial resources available and will have no adverse effect on the ongoing operations of The Public Guardian and Trustee.