

OFFICE OF THE PUBLIC GUARDIAN AND TRUSTEE

ANNUAL REPORT 2022-23



MINISTRY OF THE ATTORNEY GENERAL

Office of the Public Guardian and Trustee
Annual Report 2022-23

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Message from the 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, 2022 to March 31, 2023.

As the Public Guardian and Trustee (PGT) for Ontario, I have had the privilege of leading an organization whose mission is to make a difference by protecting the value of property and promoting the quality of life for our vulnerable clients. The work we do and the impacts we make in the lives of our clients every day are tangible, with rewarding benefits.

This year marked my 11th and final year serving as Ontario's Public Guardian and Trustee. I am honoured to have had the opportunity to be in this role and be part of an organization that protects some of the most vulnerable individuals in our society. As I reflect on my tenure as PGT, I feel a sense of pride for the accomplishments and successes we as an organization have achieved. From providing uninterrupted service to approximately 45,000 clients throughout the pandemic; celebrating the organization's 100th Anniversary; to starting the organization on its modernization journey are all sources of great pride for me. I'm certain our founders would undoubtedly be proud of the strides we have made, and the work being done today.

We have had another busy but rewarding year. Among the year's highlights are:


- ✓ Enhanced efficiencies of assets under management, including the eligibility of OPGT proprietary funds for registered investments as well as a more robust investment strategy for Registered Disability Savings Plans.
- ✓ The introduction of a pilot project to test the validity of a Reloadable Client Card (RCC) in replacing the issuance of cheques to vulnerable clients. The RCC pilot is proving successful in many areas including expediting the access to, and increasing the security in, the distribution of funds to clients.
- ✓ Continuous improvement in service delivery with an integrated communication network and implementation of a "client first" communication approach that ensures that our clients can quickly reach staff who can assist them with many of their immediate inquiries.
- ✓ The pandemic recovery period has been difficult for all Ontarians, but in many cases, it had a greater impact on some of our most vulnerable citizens. Our investigations and treatment decisions teams continued to provide excellent service to our clients and stakeholders adapting quickly to challenges posed by the pandemic and taking significant steps to improve the circumstances of many at risk individuals.
- ✓ Consistently providing strong legal advocacy to protect the finances and property of vulnerable clients so that their assets can be used to fund their care needs

- ✓ In the past year the Charitable Property Program has been involved in multiple litigation matters which challenged significant parts of charities law in Ontario. Thanks to our intervention, charity law was upheld, the public interest was protected, and the wishes of donors were followed.

The reliability of the service we provide and the manner in which we provide it, defines us as an organization. While I will miss seeing the end product of our modernization journey, I'm very excited by the opportunities to change how we work and most importantly how we will be able to not only maintain our excellent client services but improve our client's experiences.

I am grateful to have had such compassionate, hard-working employees in our organization. Thank you for the dedication you have shown to the organization. My sincere appreciation to our Investment Advisory Committee, Guardianship Advisory Committee, Audit Committee members, and our government partners for their tireless service and contributions to the OPGT over the years.

I am truly thankful for a fulfilling career serving as Ontario's PGT.

A handwritten signature in blue ink that reads "Kenneth R. Goodman". The signature is written in a cursive, flowing style.

Kenneth R. Goodman

Public Guardian and Trustee for Ontario

About the Office of the Public Guardian and Trustee

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 operates as a program of the Ministry of the Attorney General, as part of the Victims and Vulnerable Persons Division.

The OPGT delivers a unique and diverse range of services including safeguarding the legal, personal and financial interests of mentally incapable adults and certain estates across Ontario. Offices are located in Toronto, Hamilton, London, Ottawa, Sudbury and Thunder Bay.

The role of the OPGT is of last resort when there is no other suitable 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.

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 financial and business practices, policies and procedures established at the OPGT are governed in accordance with various pieces of legislation, namely: the *Public Guardian and Trustee Act*, the *Substitute Decisions Act, 1992*, the *Health Care Consent Act*, the *Mental Health Act*, the *Charities Accounting Act*, the *Religious Organizations' Land Act*, *Crown Administration of Estates Act*, *Escheats Act*, *Estates Act* and *Trustee Act*.

Mission

- 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

- Working together, we value and protect our clients.

Guiding Principles

- Accountable • Creative • Effective • Honest • Respectful • Informative

Consider Granting a Power of Attorney

The OPGT encourages every capable Ontarian to consider granting a power of attorney for finances and personal care to a **trusted person**. A power of attorney is a legal document in which you give someone you trust (called “your attorney”) the right to make decisions for you if something happens and you are no longer able to look after matters on your own. There are two types – power of attorney for personal care and power of attorney for property.

Advance planning is very important as **you must be considered mentally capable** to sign a power of attorney. Make sure the person you choose understands your wishes and agrees to this important responsibility.

If something happens to you and you don't have a power of attorney or the named attorney is unwilling to act, the government may have to step in, through the Office of the Public Guardian and Trustee.

Make a power of attorney & act as attorney for a loved one

If something happens to you or a loved one, for example an accident or illness that impacts the ability to make financial or health decisions, someone will need to make those decisions.

Consider making a power of attorney for yourself and discuss powers of attorney with your friends and loved ones. Agreeing to act as an attorney for a friend or family member can be a rewarding way to support your friend or family member and ensure their wishes are respected.

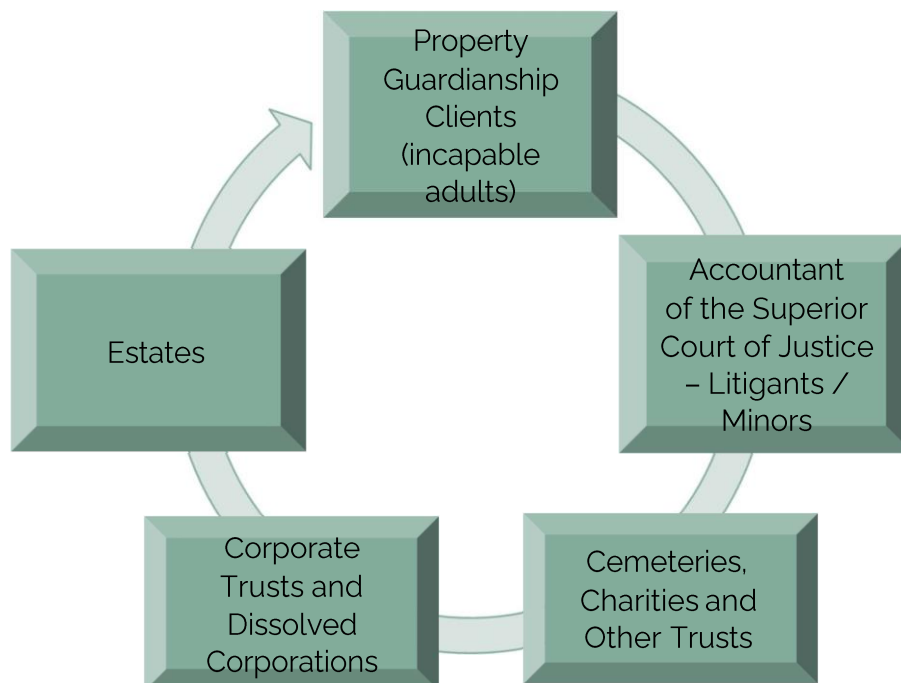
A power of attorney is a legal document that gives someone you trust the right to make financial or health care decisions for you. Talk to the person before appointing them to ensure they will take on the responsibility and understand how you want your financial affairs or personal care to be handled.

Learn more about how powers of attorney work at [Ontario.ca/OPGT](https://ontario.ca/OPGT)

There are also educational videos about powers of attorney on the [Government of Ontario YouTube channel](#)

The OPGT: Five Integrated Services Areas

The OPGT administers approximately \$2.7 billion in assets on behalf of the following client groups.

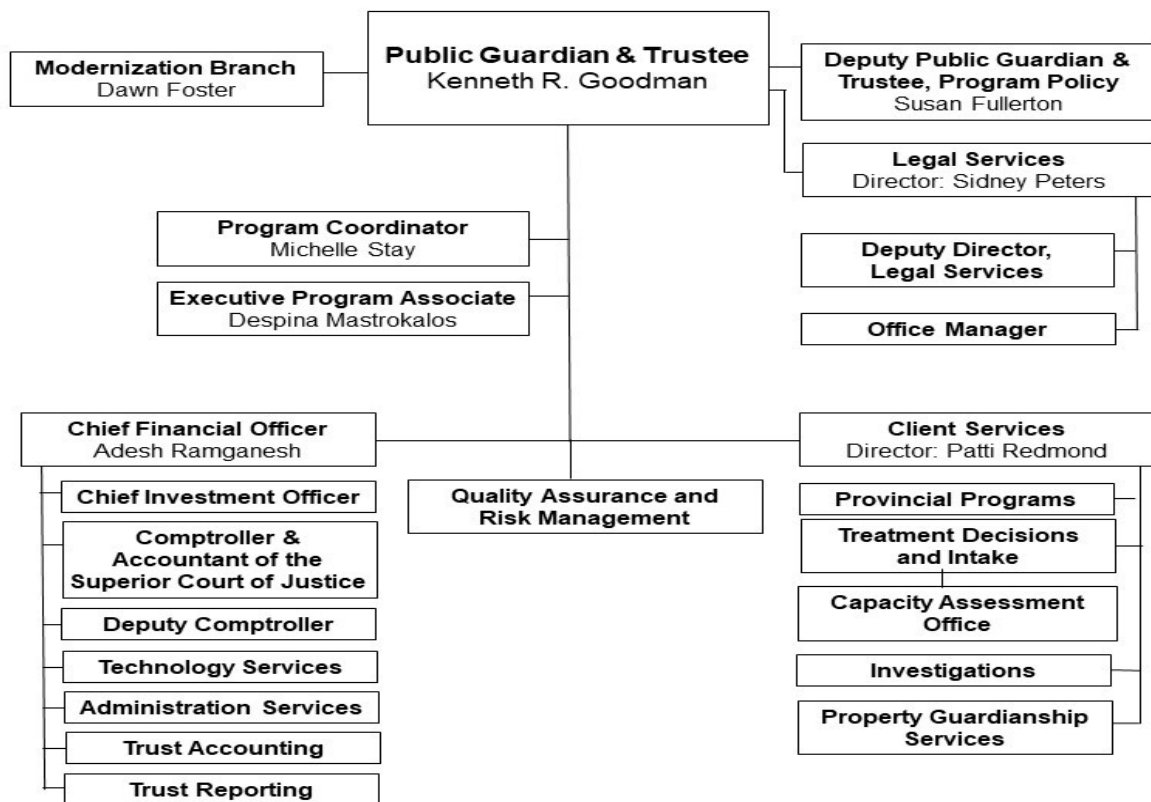


Working together, protecting our clients and the public good, we:

- Manage financial decisions that incapable people would otherwise handle, as guardian of property
- Investigate allegations an individual is 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 to replace the OPGT
- Keep a register of all appointed Guardians of property and personal care
- Review accounts from attorneys under a power of attorney and estate trustees
- Work to protect the public interest in charitable property
- Maintain trust accounts for cemeteries
- Provide public education and free on-line power of attorney kits

Organizational Structure

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.



Public Education

The OPGT receives many requests to provide outreach from the public and many agencies that share a common client base. To educate the public about our role, each year the OPGT presents outreach and education sessions for Ontarians. The OPGT provides a first point of contact for clients, the public and stakeholders for general information on OPGT services in addition to the detailed information located on the Ontario.ca website (www.ontario.ca/opgt).

A suite of brochures on topics such as mental incapacity, guardianship processes, and powers of attorney, including an improved power of attorney kit, is maintained on Publications Ontario.

In the 2022-2023 fiscal year, the OPGT presented 29 outreach sessions and while some were virtual sessions, the OPGT was pleased to recommence in-person sessions held across the province.

Staff Training

A dedicated unit is responsible for establishing policy, procedures and training curriculum and delivering it to new and existing staff. This unit maintains relationships with internal units and external stakeholders and advises staff of policy and procedural changes as well as distributing reminders and key updates related to stakeholders, special projects, and training opportunities.

Throughout the pandemic, the Training and Case Management Unit has continued to provide training to staff. Most of the training curriculum was converted to on-line modules, but trainers still provided live sessions online through Microsoft Teams. Without disruptions the unit successfully trained new staff and kept veteran staff up to date with changes to any policies and procedures.

The Training and Case Management Unit continues to be an invaluable resource for staff, providing advice, direction, and instructions on dozens of topics.

In the 2022-23 fiscal year:

- ✓ 527.5 hours of staff training was delivered to new staff
- ✓ 45 bulletins were distributed to staff in client services
- ✓ 4 wellness training sessions were hosted to support staff as they continued to navigate the ever-changing surroundings and impacts of the pandemic and its aftermath.

Modernizing to Adapt and Enhance Client Service

The OPGT's 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 an integral part of the strategic plan with the goal of replacing current legacy I&IT systems with a modern and fully integrated case, financial and document management system, 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:

- ✓ **Expansion of Contact Centre Pilot:** The OPGT Contact Centre pilot continued to be a support to various OPGT departments and clients, and as well as handling general inquiry topics such as mental incapacity, powers of attorney, and the capacity assessment process. Between November 2020 when the pilot was implemented, and March 2023, 319,334 calls were received. Planning to incorporate email communication and to explore innovative ways to improve services to Ontarians continues. The conversion of training sessions into eLearning modules for Contact Centre staff and onboarding for all OPGT staff is ongoing.



- ✓ **A Plan for Modern Business Tools:** The replacement of legacy financial, case and document management systems continue to move forward. With the support of RFP Solutions, the procurement process to find a solutions integrator team to support implementation was completed and Deloitte was the successful vendor. Discovery sessions and the collection of user stories describing what is needed from the new system took place after Deloitte came onboard and the work being done to build the new system is well underway.



- ✓ **Raising Public Awareness:** The [Ministry of the Attorney General's X \(formerly Twitter\) account](#) is being used to send numerous tweets raising awareness about powers of attorney and the role of the OPGT. There are also educational videos about powers of attorney on the [Government of Ontario YouTube channel](#).



Looking forward, next year will be focused on designing, developing, migrating data and testing the new technology solution to support future implementation.

PART 1: OPGT's Diverse Client Groups

Mentally Incapable Adults

Property Guardianship Services

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

A guardian of property steps into the shoes of the incapable person and makes the financial decisions and transactions that the person would otherwise do themselves. Managing the finances of a client has many facets including, but not limited to, applying for, redirecting, and receiving income; maintaining and choosing investments; filing tax returns; paying for goods and services such as food, clothing, medications, phone services, rehabilitation and transportation; maintaining, purchasing and selling property, vehicles and medical equipment; and providing funds directly to the incapable person to maintain their independence in the community.

The OPGT makes financial decisions and transactions for the client, helping to promote the client's comfort, well-being and to maximize their quality of life. The OPGT encourages clients to participate in decisions, consulting where possible with supportive family members, friends and caregivers. Through managing our clients' property, the OPGT also liaises with various vendors 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 2022-23, the OPGT was actively managing the finances of 13,221 clients.

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.

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 available, willing and suitable to act. The OPGT has approximately 500 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 OPGT's financial administration.

Complex vs Non-Complex Cases

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

Complex files are identified with one or more of the following:

- ☐ over \$50,000 in cash or cash equivalents;
- ☐ a complex legal issue, such as a motor vehicle accident claim,
- ☐ real estate
- ☐ extended health care coverage
- ☐ trusts administered outside the OPGT
- ☐ non-fixed income
- ☐ investments
- ☐ RRSPs
- ☐ custody of minor children or dependents.

Non-complex files can have:

- ☐ up to \$50,000 in cash or cash equivalents
- ☐ a non-complex legal issue, such as an interest in an estate
- ☐ are usually recipients of Ontario Disability Support Program or basic government pensions such as Old Age Security, Canada Pension Plan and Guaranteed Income Supplement.

At the end of the 2022-23 fiscal year, 5,253 or almost 40% of OPGT's clients were considered to have a complex financial file. The finances of the remaining clients (slightly more than 60%) were considered non-complex, however many still involved complicated, time-sensitive

issues that while not meeting the threshold of a complex case, posed potential and considerable risks to the OPGT clients' finances. While the percentage of complex files has not increased significantly, the complex files are measurably more complex than before. Clients often have a multitude of investments in different financial instruments, several properties/real estate.

Investigations

The OPGT provides important services to property guardianship and estate clients. Investigations staff attend and search residences, vehicles or other locations to locate information or secure assets for the incapable person or estate. They secure items they discover, such as chattels, personal items, valuables and documentation (e.g., Wills, financial instruments, legal documents, identification, etc.). Findings are recorded to assist in the administration and financial management of the incapable person or estate.

The Investigations Unit also becomes involved when there is a report or allegation that an adult in the community is at risk of harm, either financially or regarding personal care. The Unit maintains an intake line, where they assess the allegation to determine whether to open an investigation or whether there are less-intrusive solutions available.

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

In the 2022-23 fiscal year, 1,026 property and estate investigations were completed throughout the province.

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 serious adverse effects.

Over the course of the 2022-23 fiscal year, the OPGT continued to act as the court appointed guardian of personal care on behalf of 53 clients.

Treatment Decisions

When an individual is not capable of making a decision regarding medical treatment or admission to a long-term care facility, a substitute decision maker, usually a relative, is required to make the treatment decision for the incapable person.

Substitute decision makers are ranked in a hierarchy. The health practitioner – or the Home and Community Care Support Services staff in the case of long-term care admission, goes down the list until a substitute who is available, capable and willing to make the incapable person's decision is found.

The OPGT, as a last resort, will make treatment decisions. Decisions are made on a variety of treatments, such as those related to dental, medication, surgery, treatment plans, end of life or palliative care, and admission to long-term care.

In the course of making a treatment decision, OPGT's Treatment Decision Consultants (TDC) often reach out to family or encourage facilities/doctors/social workers to contact family before referring to the Public Guardian and Trustee. One TDC shares the part of the job they find most rewarding.

"While not specifically my role, over the years, I have been able to connect many clients with their estranged family. I have encountered family members who had no idea whether the individual was still alive, as well as family members in various countries who were grateful to have some news and contact. In some circumstances, a family member agrees to act as the substitute-decision-maker. Many of our clients have lost contact with family and value the opportunity to reconnect."

By March 31, 2023, the OPGT had made 11,362 treatment decisions.

Helping family members take on guardianship

A specialized unit reviews applications from family members or partners who wish to replace the OPGT as guardian of property for their incapable relative. Applicants must provide an application and management plan outlining the incapable person's finances and detailing how the applicant will appropriately handle the finances 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, when possible, consults the incapable client to determine their wishes. The unit makes independent inquiries 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 person's assets and property.

Although non-family members may not apply as statutory guardian, they may seek a court order to replace the OPGT.

This year the OPGT received 305 statutory applications. During the year, 244 applications were approved, while the remaining are still in process, withdrawn, or refused.

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 a person's family member or partner is under the OPGT's care, the person can 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 comfort or well-being where possible. Learn more at www.Ontario.ca/OPGT.

Guardianship Advisory Committee

The Guardianship Advisory Committee (GAC) advises the OPGT on matters relating to substitute decision-making under the *Substitute Decisions Act, 1992* and the *Health Care Consent Act* and generally on guardianship matters.

It provides advice and feedback on the community's perception and comprehension of, as well as their 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 organizations that make up the **Guardianship Advisory Committee** during this fiscal year:

- ✓ Canadian Mental Health Association
- ✓ Ontario Long Term Care Association
- ✓ Adult Protective Service Workers of Ontario
- ✓ Ontario Bar Association
- ✓ Dr. Rosemary Meier - Independent
- ✓ Advocacy Centre for the Elderly
- ✓ AdvantAge Ontario

Potential Heirs of Estates

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 assets and next of kin of the deceased prior to taking control of the estate.

When an estate is under the OPGT's authority, the OPGT is obligated to secure and manage the deceased's assets and apply to court to become the Estate Trustee. The goal is to liquidate and distribute assets to heirs efficiently and effectively. As such, assets are surveyed, typically liquidated and reinvested to provide a reasonable return while maintaining liquidity to pay any 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.

On March 31, 2023, there were 1,641 estates under administration. The OPGT received 979 inquiries to administer estates throughout the fiscal year and continued to manage approximately \$192.5 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 \$69.1 million
- ✓ \$0.7 million in chattels and vehicles
- ✓ \$26 million in external investments
- ✓ \$0.2 million in other assets including life insurance policies and loans receivable

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.

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 \$71.4 million was distributed to minors who reached the age they were eligible to receive funds.

In 2022-23 the OPGT managed the accounts of approximately 33,953 minors, incapable persons, absentees and litigants, totaling approximately \$1,116.1 million in value.

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 101 designated capacity assessors in Ontario as of March 31, 2023.

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.
- ✓ Reviews and approves some charities' incorporation and corporate change documents.
- ✓ Reviews and may act on complaints from the public concerning the misappropriation of charitable property in Ontario.
- ✓ Facilitates charities obtaining Court orders without going to Court.

The OPGT Charitable Property Program received 44 litigation matters, and 22 complaints and requests for information and 304 requests for OPGT approval for incorporations and amendments to charities' corporate documents.

The OPGT also becomes involved in litigation involving charities. This is part of our role in protecting the public interest in charitable property. For example, during this fiscal year, the Charitable Property Program assisted the Court and trustees protect and administer charitable property worth over \$45.5 million.

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 corresponding guidelines for the public. During 2022-23, the Charitable Property Program drafted an amendment to the Trustee Act to clarify the rules around trustee investments.

Dissolved Corporations

When an Ontario corporation is dissolved and owns certain assets on the date it ceases to exist, the company's assets are forfeited to the Crown. If it is personal property, not located in, on or under forfeited land, the OPGT, on behalf of the Crown, may sell or dispose of the property. When an Ontario company is winding up or dissolving and is holding funds payable to creditors or shareholders who cannot be found, that money may be paid to the OPGT to hold in trust for the missing shareholders or creditors for ten years, after which any remaining funds are the property of the Crown.

Spotlight on Clients

** Note: Clients' identifying information has been removed to protect their privacy.*

OPGT Protects Vulnerable Adult from Potential Exploitation



Sandia*, 80, was living independently in her house in a mid-size town in Ontario. She had ample monthly income and substantial savings but no living family. Sandia was befriended by a caregiver, and Sandia decided to appoint the caregiver as her attorney for property. The caregiver was charging Sandia exorbitant fees, allegedly for providing care services. The caregiver sold Sandia's house and was in the process of purchasing another house when the PGT commenced an investigation.

The PGT was appointed as temporary guardian of property for Sandia on an urgent basis, for a period of two weeks, to review whether the sale of Sandia's property and purchase of a new property were in her best interests.

On appointment as guardian, the PGT immediately assisted with the sale of the property as it was clear Sandia required a higher level of care in a retirement home. The PGT, collaborating with Sandia's counsel, determined that the purchase of the new property was not Sandia's desire and not in her best interests. Working with Sandia's counsel, the PGT facilitated the financial aspects of Sandia's move into a retirement home, close to the hospital where Sandia was receiving regular care.

The OPGT always strives to take the least intrusive approach to guardianship. As Sandia was able to afford a private guardian, after the sale of her property was resolved and her finances were settled, the PGT's file was closed to a private guardian of Sandia's choosing. Sandia continues to reside in her retirement home which has full services and is able to meet her needs. Her private guardian has taken over the ongoing litigation against Sandia's previous caregiver.

The OPGT acted on an urgent basis to ensure that Sandia was not sued for failing to complete the sale of her property, and stopped the use of Sandia's finances to purchase a property that was not in her best interests. The OPGT's role as guardian of last resort is clear in this case as the OPGT was able to protect Sandia on an urgent basis and then assist with the smooth transfer of her finances to a private guardian.

OPGT Protects ODSP Entitlements for Client



In 2013, the PGT became the guardian of property for Robin*, a mother of 3, who lived with mental illness and was without secure housing. Robin's children lived with her estranged spouse.

In 2017, Robin's estranged spouse commenced a court proceeding against Robin arising out of their joint ownership of a house. The PGT responded on behalf of Robin and in 2018, after prolonged negotiations and on the eve of trial, a settlement was reached whereby Robin would receive \$80,000.

Robin's spouse was unable to afford to pay the \$80,000. The PGT agreed to provide Robin's spouse with an interest-bearing mortgage against the title to the jointly owned home, payable when the house is sold in the future, with no interim interest or principal payments. The settlement was court approved. The settlement terms were driven by several factors, including Robin's spouse's inability to pay, preventing a forced sale, allowing the minor children to continue to live in the family home with Robin's spouse, and avoiding a costly and uncertain trial.

Robin has been a long time Ontario Disability Support Program ("ODSP") recipient. ODSP took the position that the settlement was unreasonable and improvident, and assessed a deemed income of \$809.96 against Robin's ODSP monthly benefit, leaving Robin with only a few hundred dollars per month income. The PGT appealed the decision and obtained an order for interim reinstatement of the ODSP income. Her ODSP income was reinstated pending a hearing of the appeal.

The appeal was eventually heard in 2023, by which time Robin was facing a potential over-payment claim of over \$30,000. The Social Benefit's Tribunal held that the PGT's settlement of Robin's claim was reasonable in all the circumstances, that the settlement was not improvident, and rescinded ODSP's decision to apply a deemed income charge. The PGT has since received the full mortgage payout of \$94,000 and placed it in a sheltered trust account for Robin's benefit, allowing Robin to continue to receive ODSP. In addition, Robin has received nearly \$17,000 in retroactive ODSP entitlement improperly withheld.

OPGT Saves a Testator's Charitable Gift to Orphans in South America



The Office of the Public Guardian and Trustee plays a role in protecting the public's interest in charitable property. We perform that function in several ways, including participating in court proceedings that involve unprotected charitable property.

In one case, a testator made a Will providing a gift to a charity that benefits orphans in South America. That charity ceased operations after the testator made her Will, unbeknownst to her. The Estate Trustee asked the court to grant an order that the gift in the Will should fail and be distributed to other beneficiaries of the Estate. However, the courts in Canada have special powers to protect charitable gifts. For example, the "cy-pres doctrine" is a tool that courts can use to protect the benefit of a charitable gift when a charity that provides that benefit no longer exists. The Public Guardian and Trustee helped the court and the parties by providing information and caselaw on the cy-pres doctrine and suggesting solutions that would benefit the testator's intended charitable beneficiary, orphans in South America. The court found that the testator clearly intended to benefit orphans in South America when she made her Will. The court agreed with the Public Guardian and Trustee that the cy-pres doctrine applies. The court saved the gift by ordering the Estate Trustee to pay the funds to a charity that benefits orphans in South America.

This decision is beneficial to the public interest and to charities. It ensures the intended benefit of charitable gifts, and the intentions of charitable donors, are protected.

PART 2: Investment Management

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 13,221 guardianship and trusteeship clients, 88% 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. Client's cash may also be invested in the OPGT's Funds, as well as in external options for clients whose needs are better met with these investment types.

Spotlight on Investment Management

Money Market and Fixed Income Investments

At the end of the 2022-23 fiscal year, the OPGT was managing approximately \$634.6 million in fixed income investments for guardianship clients.

OPGT Fund Assets

The Canadian Core Fixed Income Fund, the Canadian Core Equity Fund and the Global Equity 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 \$140 million in these funds on behalf of clients.

External Investments

At the end of the 2022-23 fiscal year, the OPGT managed approximately \$261.7 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 2022-23 fiscal year, the OPGT continued to manage real properties worth over \$248.6 million.

In addition to properties, the OPGT was managing \$18.7million of other assets on behalf of guardianship clients. These assets include:

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

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' funds at the higher end of the risk-return spectrum when circumstances warrant.

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

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 OPGT Funds 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, 2023 were, Canadian Core Fixed Income Fund 0.36% *, Canadian Core Equity Fund 11.05%*, Global Equity Fund 7.49%*, the Canadian Dividend & Income Fund 4.83%*, Laddered Buy and Hold Fund 2.22 %*, the Canadian Money Market Fund 1.42%* and the US Money Market Fund 1.40%* (*Returns are presented gross of fees).

Investment Advisory Committee

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

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

Chris Kautzky
Tyler Elea
Tanya Lai

June Ntazinda
Elke Rubach
Stephen Sisokin

Maureen Stapleton
David Yu

Investment Options

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

1. Laddered Buy and Hold Bond Fund
2. Canadian Core Fixed Income Fund
3. Canadian Core Equity Fund
4. Global Equity Fund
5. Canadian Income and Dividend Fund
6. Canadian Money Market Fund
7. U.S. Money Market Fund

The Performance summary of these funds for fiscal year ending March 31, 2023, is shown below;

Fund Name	1 Year	4 Years	10 Years
Canadian Core Fixed Income	-1.27%	0.36%	-
Canadian Core Equity	-0.01%	11.05%	-
Global Equity Fund	5.60%	7.49%	-
Canadian Income & Dividend Fund	-4.13%	4.83%	4.92%
PH&N Laddered Buy and Hold Bond Fund	2.40%	2.22%	2.28%
PH&N Canadian MMF	3.01%	1.42%	1.28%
PH&N US MMF	2.87%	1.40%	1.11%

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 1.75 - 3.25 per cent throughout the past year. This rate is highly competitive while offering full liquidity and security of principal to OPGT clients.

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 during this fiscal year:

Jeanette Dias D'Souza
Olha Dobush

Mike Anderson
Paula Reid

Russ Whitehead
Brad Obee

Part 3: Risk Management and Key Performance Indicators

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:

Risk	Nature of Risk	Major Mitigation Strategies
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 OPGT will not be able to fulfill the office's role and responsibility in serving the clients due to the pandemic.	Providing 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 OAGO Value for Money Audit Recommendations	Addressing the remaining recommendations by the required timeframes.	The OPGT had fully implemented 22 of the 30 detailed actions at the conclusion of the 2022 follow-up. Management is formally tracking and reporting the status of implementation on the 7

		<p>remaining actions on a quarterly basis to ensure timely completion.</p> <p>Management also noted one recommendation related to the implementation of a process to systematically assess the mental capacity of vulnerable individuals not consistent with OPGT's mandate and had formally informed OAGO that it will not be implemented.</p>
Non-compliance with OPGT policies and procedures	Risk of employees intentionally or unintentionally not following OPGT policies and procedures.	<p>The OPGT is committed to expanding the use of data analytics and exceptions reporting to identify potential errors and omissions for enhanced management oversight. The OPGT will also use advanced analytical tools & Audits to identify exceptions and implement mitigation strategies to minimize recurring errors and cost. Staff training where required is provided.</p>

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.

KPI Description	Unit of Measure	Target	2022/23 Annualized Results
Investigation Services Timeliness	% Investigations Conducted within Target Timeline	80%	66%
Team Leader Client File Review Timeliness	% of Team Leader Client File Review Completed within 6 months of jurisdiction	100%	75%
Legal File Review Timeliness	% of Legal File Review Completed within 6 months of jurisdiction	100%	97%
Application to Replace Processing Timeliness	% of APR Completed within 6 months of opening	80%	60%
Critical Services Delivery Timeliness	% Critical Services Initiated within 30 Days of jurisdiction	100%	90%
4 Year Rolling Return on Investment	% of pooled investment with rate of return exceeding benchmark	100%	90%
Legal Matter Closure	% of Legal Matters Closed within 3.5 Years of opening	100%	79%

Appendix: Audited Financial Statements 2022-23

The Public Guardian and Trustee
for the Province of Ontario
Financial Statements

For the year ended March 31, 2023

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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



Adesh Ramganes, CPA, CMA
Chief Financial Officer

July 14, 2023



Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

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, 2023, 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, 2023 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.

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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
July 14, 2023

Susan Klein, CPA, CA, LPA
Assistant Auditor General

Statement of Financial Position

As at March 31



in thousands of dollars

	Note	2023	2022
Estates and Trusts			
Assets			
Cash and cash equivalents	4.1	\$ 126,792	\$ 124,963
Accounts receivable	6	6,282	5,317
Investments at fair value through profit or loss:			
Bonds and other debt securities - client owned	4.1	57,663	72,168
Diversified fund	4.2	201,065	122,989
Canadian income and dividend fund	4.3	133,059	117,089
Equity securities - client owned	4.4	108,136	115,391
Investments in Fixed income funds	4.5	1,827,573	1,707,852
Real estate		285,420	224,883
Other assets	7	18,256	17,520
Total assets		2,764,246	2,508,172
Liabilities			
Accounts payable and accrued liabilities	8	107,983	105,491
Net assets attributable to beneficiaries of Estates and Trusts		2,656,263	2,402,681
Total liabilities and net assets attributable to beneficiaries of Estates and Trusts		\$ 2,764,246	\$ 2,508,172

Administration Fund

Assets			
Cash and cash equivalents		\$ 340	\$ 1,931
Accounts receivable	6	4,053	3,104
Investments at fair value through profit or loss:			
Diversified fund	4.2	116,268	114,964
Canadian income and dividend fund	4.3	33,372	34,808
Investments in Fixed income funds	4.5	18,548	20,947
Total assets		172,581	175,754
Liabilities			
Accounts payable and accrued liabilities	8	8,240	6,588
Total liabilities		8,240	6,588
Equity			
Funds and reserves		17,500	17,500
Unappropriated fund		146,841	151,666
Total equity		164,341	169,166
Total liabilities and equity		\$ 172,581	\$ 175,754

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	2023	2022
<i>Estates and Trusts</i>			
Income			
Social benefits		\$ 125,370	\$ 117,095
Pensions		121,891	113,615
Other income		54,631	46,629
		301,892	277,339
Expenses			
Accommodation		157,259	148,972
Allowances		51,028	48,281
Fees charged by the Public Guardian and Trustee	9	38,508	33,996
Real estate		16,728	18,014
Income taxes		17,004	15,639
Living expenses		10,811	10,183
Funeral expenses		6,794	6,468
Other expenses		7,190	7,337
Utilities		6,721	6,328
Medical expenses		7,223	6,663
Insurance		2,773	2,543
Total expenses		322,039	304,424
Net investment income			
Interest income from fixed income funds		43,748	29,810
Change in fair value on investments at fair value through profit or loss	10	13,821	40,085
		57,569	69,895
Change in net assets attributable to beneficiaries before undernoted:			
		\$ 37,422	\$ 42,810
- Client Capital Contributions during the year		764,120	692,969
- Client Capital Distributions during the year		(540,883)	(526,429)
- Funds escheated to the Crown	14	(7,077)	(1,106)
Change in net assets attributable to beneficiaries		\$ 253,582	\$ 208,244

Statement of income and comprehensive income - Administration Fund

For the year ended March 31

in thousands of dollars

	Note	2023	2022
Administration Fund			
Revenue			
Fees charged on estates and trusts	9	\$ 38,508	\$ 33,996
Grants received from the Ministry of the Attorney General	13	20,606	19,994
		59,114	53,990
Expenses			
Salaries, wages and benefits	11	42,872	42,795
General administration	12	15,839	4,246
Fees incurred		2,056	2,060
Transportation and communication expenses		739	717
Supplies and equipment expenses		249	175
Claims		49	799
Total expenses		61,804	50,792
Net investment income			
Interest income (expense) from fixed income funds		1,263	(186)
Change in fair value on investments at fair value through profit or loss	10	(131)	10,459
		1,132	10,273
Investment expenses		3,267	3,209
Net investment (loss) income		(2,135)	7,064
Total net (loss) income and comprehensive (loss) income		\$ (4,825)	\$ 10,262

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, 2021	\$ 915,921	471,010	498,062	247,680	30,374	23,276	4,311	3,803	\$ 2,194,437
Change in net assets attributable to beneficiaries before undernoted:	25,267	17,698	5,943	(6,909)	788	(68)	12	79	42,810
Client Capital Contributions during the year	324,071	76,848	190,839	96,577	1,058	3,432	144	-	692,969
Client Capital Distributions during the year	(238,884)	(74,524)	(145,738)	(63,392)	(396)	-	(3,436)	(59)	(526,429)
Funds escheated to the Crown (note 14)	-	-	-	(596)	-	(244)	(266)	-	(1,106)
Change in net assets attributable to beneficiaries	110,454	20,022	51,044	25,680	1,450	3,120	(3,546)	20	208,244
Balance at March 31, 2022	\$ 1,026,375	491,032	549,106	273,360	31,824	26,396	765	3,823	\$ 2,402,681
Change in net assets attributable to beneficiaries before undernoted:	25,923	2,954	10,852	(8,194)	(722)	6,488	16	105	37,422
Client Capital Contributions during the year	387,227	69,630	207,897	97,542	1,723	86	15	-	764,120
Client Capital Distributions during the year	(262,974)	(71,434)	(143,925)	(61,488)	(976)	(84)	-	(2)	(540,883)
Funds escheated to the Crown (note 14)	-	-	-	(2,290)	-	(4,787)	-	-	(7,077)
Change in net assets attributable to beneficiaries	150,176	1,150	74,824	25,570	25	1,703	31	103	253,582
Balance at March 31, 2023	\$ 1,176,551	492,182	623,930	298,930	31,849	28,099	796	3,926	\$ 2,656,263

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, 2021	\$ 14,300	3,000	100	100	17,500	141,404	\$ 158,904
Total income for the year	-	-	-	-	-	10,262	10,262
Transfers to/(from) reserves							
Transfers made during the year	551	206	-	42	799	(799)	-
Reserves released during the year	(551)	(206)	-	(42)	(799)	799	-
Total increase in equity	-	-	-	-	-	10,262	10,262
Balance at March 31, 2022	\$ 14,300	3,000	100	100	17,500	151,666	\$ 169,166
Total loss for the year	-	-	-	-	-	(4,825)	(4,825)
Transfers to/(from) reserves							
Transfers made during the year	(77)	75	-	51	49	(49)	-
Reserves transactions during the year	77	(75)	-	(51)	(49)	49	-
Total decrease in equity	-	-	-	-	-	(4,825)	(4,825)
Balance at March 31, 2023	\$ 14,300	3,000	100	100	17,500	146,841	\$ 164,341

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

For the year ended March 31	Statement of Cash Flows			
	Estates and Trusts		Administration Fund	
(in thousands of dollars)	2023	2022	2023	2022
Cash flows from operating activities				
Total Comprehensive Income (Loss)				
Estates and Trusts				
Change in net assets attributable to beneficiaries before undernoted:	\$ 37,422	\$ 42,810	\$ -	\$ -
Client Capital Contributions during the year	764,120	692,969	-	-
Client Capital Distributions during the year	(540,883)	(526,429)	-	-
Funds escheated to the Crown	(7,077)	(1,106)	-	-
Change in net assets attributable to beneficiaries	253,582	208,244	-	-
Administration Fund	-	-	(4,825)	10,262
Adjustments for:				
Non-cash Client Capital Contributions	(215,284)	(158,246)	-	-
Non-cash Client Capital Distributions	37,768	19,210	-	-
Net unrealized (gain)/loss on investments and foreign currency at fair value	9,912	(17,713)	8,400	(932)
Investment income reinvested	(12,811)	(13,333)	(8,777)	(9,241)
Changes in working capital items				
Accounts receivable	(965)	(433)	(949)	219
Accounts payable and accrued liabilities	2,492	10,964	1,652	941
Net cash (used in) from operating activities	74,694	48,693	(4,499)	1,249
Cash flows from investing activities				
Acquisition of investments	(2,359,589)	(2,101,227)	2,908	(382)
Proceeds from sale of investments	2,211,369	1,999,639	-	-
Proceeds from sale of real estate	76,091	64,553	-	-
Net increase in other assets	(736)	(1,157)	-	-
Net cash (used in) from investing activities	(72,865)	(38,192)	2,908	(382)
Increase (decrease) in cash and cash equivalents	1,829	10,501	(1,591)	867
Cash and cash equivalent, beginning of the year	124,963	114,462	1,931	1,064
Cash and cash equivalent, end of the year	\$ 126,792	\$ 124,963	\$ 340	\$ 1,931

Notes to financial statements

March 31, 2023 and March 31, 2022

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> |

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

1. Reporting entity (continued)

In its capacity as Accountant of the Superior Court of Justice, the OPGT acts as custodian of securities, documents, mortgages, letters of credit and lien bonds. These custodied assets and instruments are not reflected in OPGT's financial statements.

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 as issued by the International Accounting Standards Board ("IFRS").

These financial statements were authorized for issue by the Audit Committee of The Public Guardian and Trustee on July 14, 2023.

(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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

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 real estate assets.

(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, 2023 and March 31, 2022

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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

3. Significant accounting policies (continued)**(c) Financial assets and liabilities (continued)****(i) Financial assets (continued)**

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.

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).

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

3. Significant accounting policies (continued)**(c) Financial assets and liabilities (continued)****(i) Financial assets (continued)***Debt instruments (continued)*

- 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 interest income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a 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. 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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

3. Significant accounting policies (continued)**(c) Financial assets and liabilities (continued)****(i) Financial assets (continued)***Equity instruments (continued)*

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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

3. Significant accounting policies (continued)**(c) Financial assets and liabilities (continued)****(iii) Fair value measurement (continued)**

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.

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, except for life insurance policies, at cost less accumulated impairment losses. Cost is determined as the fair value when the asset is initially recognized, using appropriate valuation methodologies and valuator's best assessment of unobservable inputs. Life insurance is measured at cash surrender value.

(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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

3. Significant accounting policies (continued)**(e) Employee benefits (continued)****(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 Province 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.

(g) Government grants

Government grants fund the Public Guardian and Trustee's operating expenses. 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 and returned \$77,000 to the Unappropriated Fund. In 2022, the Assurance Fund released and was reimbursed \$551,000 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 \$75,000 (2022: \$206,000) were released from this reserve and were reimbursed by the Unappropriated Fund.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

3. Significant accounting policies (continued)**(h) Funds and reserves – Administration Fund (continued)***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 (2022: \$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 \$51,000 (2022:\$42,000) 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 2023 and 2022, 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, 2023 and March 31, 2022

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)*

Cash and cash equivalents

Cash

Cash equivalents

Client owned – Bonds and other debt securities

Bonds – Federal Government

Bonds – Provincial Governments

Bonds – Corporate

Other Debt Securities – Financial institutions

2023	2022
35,535	33,430
91,257	91,533
126,792	124,963
134	336
448	327
12,934	23,746
44,147	47,759
57,663	72,168
184,455	197,131

Cash equivalents, notes and bonds have an annual interest rate of between 0.0–10.5% (2022: 0.0–10.5%) and, at the reporting date, have remaining maturity periods ranging between 0–33 years (2022: 0–34 years).

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

	2023	2022
Bonds – Federal Government		
1–3 years	0.1–3.6%	0.1–8.0%
3 years +	–	2.2–3.6%
Bonds – Corporate		
1–3 years	1.4–4.6%	–
3 years +	0.2–4.5%	1.4–1.9%
Financial institutions		
1–3 years	0.0–5.1%	0.0–10.5%
3 years +	0.2–4.8%	0.0–3.6%

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

4. Investments in financial assets (continued)**4.1 Estates and Trusts – cash and cash equivalents, bonds and other debt securities – client owned (continued)**

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, 2023 and March 31, 2022, were as follows:

	Mar	Jun	Aug	Oct	Dec	Jan	Mar
Effective From:	1st, 2021	1st, 2021	1st, 2022	1st, 2022	1st, 2022	1st, 2023	1st, 2023
Interest rate - CAD	1.75%	1.90%	2.25%	2.50%	3.00%	3.40%	3.25%

The approved rates and effective dates for United States dollars during the year ending March 31, 2023 and March 31, 2022, were as follows:

	Mar	Jun 1st,	Aug	Oct	Dec	Mar
Effective From:	1st, 2021	2022	1st, 2022	1st, 2022	1st, 2022	1st, 2023
Interest rate - USD	0.17%	0.50%	1.25%	1.75%	3.50%	4.00%

4.2 Diversified fund

As at March 31

(In thousands of dollars)

	2023	2022
Cash	2,724	4,981
Short-term notes	4,666	4,000
Bonds	128,592	78,302
Canadian equity securities	100,857	92,544
Foreign equity securities	81,391	58,604
Net other assets/(liabilities)	(897)	(478)
	<u>317,333</u>	<u>237,953</u>

The short-term notes and bonds yield, on a fair value basis, annual interest of between 0.0–8.7% (2022: 0.0–8.7%) and, at the reporting date, have remaining maturity periods ranging between 3 days to 60 years (2022: 1 day to 60 years). The weighted average yield on investments in Canadian and Foreign equity securities is 2.31% (2022: 1.88%).

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

4. Investments in financial assets (continued)**4.2 Diversified fund (continued)**

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

In thousands of dollars

	2023	2022
Estates and Trusts	201,065	122,989
Administration Fund	116,268	114,964
	<u>317,333</u>	<u>237,953</u>

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

4.3 Canadian income and dividend fund

As at March 31

(In thousands of dollars)

	2023	2022
Cash	487	1,410
Short-term notes	9,500	1,837
Bonds	81,487	68,649
Canadian equity securities	75,320	79,991
Net other assets/(liabilities)	(363)	10
	<u>166,431</u>	<u>151,897</u>

The short-term notes and bonds yield, on a fair value basis, annual interest of between 0.0–8.5% (2022: 0.0–8.5%) and, at the reporting date, have remaining maturity periods ranging between 41 days to 60 years (2022: 39 days to 60 years). The average yield on investments in Canadian equity securities is 4.93% (2022: 4.50%).

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

	2023	2022
Estates and Trusts	133,059	117,089
Administration Fund	33,372	34,808
	<u>166,431</u>	<u>151,897</u>

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

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

4. Investments in financial assets (continued)**4.4 Equity securities – client owned***As at March 31**(In thousands of dollars)*

	2023	2022
Canadian listed securities	84,437	89,688
United States listed securities	2,764	4,185
Other listed securities	20,729	21,329
Unlisted securities	206	189
	<u>108,136</u>	<u>115,391</u>

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)*

	2023	2022
Bonds – Federal Government	176,623	185,523
Bonds – Provincial and Municipal Governments	277,060	307,022
Bonds – Corporate	1,392,293	1,236,122
Cash and Accrued Interest	145	132
	<u>1,846,121</u>	<u>1,728,799</u>

The bonds yield (at cost) annual interest of between 1.13-7.50% (2022 1.13-7.50%) and, at the reporting date, have remaining maturity periods ranging between 3 days to 5 years (2022: 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)

	2023	2022
Estates and Trusts	1,827,573	1,707,852
Administration Fund	18,548	20,947
	<u>1,846,121</u>	<u>1,728,799</u>

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

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, 2023 and March 31, 2022, 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, 2023 and March 31, 2022

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:

<i>As at March 31</i> <i>(In thousands of dollars)</i>	Estates and Trusts 2023	Estates and Trusts 2022	Administration Fund 2023	Administration Fund 2022
Cash and cash equivalents	126,792	124,963	340	1,931
Accounts receivable	6,282	5,317	4,053	3,104
Investments at fair value through profit or loss:				
Bonds and other debt securities– client owned	57,663	72,168	-	-
Diversified fund ¹	100,286	45,113	35,696	42,170
Canadian income and dividend fund ¹	73,132	55,421	18,342	16,475
Fixed income funds	1,827,573	1,707,852	18,548	20,947
	2,191,728	2,010,834	76,979	84,627

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

	2023	2022
AAA/Aaa	18.00%	19.87%
AA/Aa	74.64%	76.49%
BBB/Baa	7.36%	3.64%

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)**5.1 Credit risk (continued)***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

	2023	2022
Government and public sector	56.30%	50.07%
Banks and financial services	28.95%	35.73%
Other corporate	14.75%	14.20%

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 the 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, 2023 and 2022, the financial assets and liabilities of Estates and Trusts and the Administration Fund had the following remaining contractual maturity profile:

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)

5.2 Liquidity risk (continued)

Estates and trusts

2023

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	126,792	126,792	-	-
Accounts receivable	6,282	4,784	-	1,498
Investments at fair value through profit or loss:				
Bonds and other debt securities – client owned	57,663	27,101	18,818	11,744
Diversified fund	201,065	119,814	650	80,601
Canadian income and dividend fund	133,059	68,204	1,928	62,927
Equity securities – client owned	108,136	108,136	-	-
Fixed income funds	1,827,573	204,587	644,930	978,056
	2,460,570	659,418	666,326	1,134,826
Financial liabilities				
Accounts payable and accrued liabilities	107,983	91,161	-	16,822
	107,983	91,161	-	16,822

2022

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	124,963	124,963	-	-
Accounts receivable	5,317	3,521	-	1,796
Investments at fair value through profit or loss:				
Bonds and other debt securities – client owned	72,168	36,951	24,470	10,747
Diversified fund	122,989	83,172	1,682	38,135
Canadian income and dividend fund	117,089	63,864	1,011	52,214
Equity securities – client owned	115,391	115,391	-	-
Fixed income funds	1,707,852	242,547	264,646	1,200,659
	2,265,769	670,409	291,809	1,303,551
Financial liabilities				
Accounts payable and accrued liabilities	105,491	90,897	-	14,594
	105,491	90,897	-	14,594

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)

5.2 Liquidity risk (continued)

Administration

Fund 2023

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	340	340	-	-
Accounts receivable	4,053	4,053	-	-
Investments at fair value through profit or loss:				
Diversified fund	116,268	69,283	376	46,609
Canadian income and dividend fund	33,372	17,106	484	15,782
Fixed income funds	18,548	2,076	6,545	9,927
	172,581	92,858	7,405	72,318
Financial liabilities				
Accounts payable and accrued liabilities	8,240	8,240	-	-
	8,240	8,240	-	-

2022

In thousands of dollars

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	1,931	1,931	-	-
Accounts receivable	3,104	3,104	-	-
Investments at fair value through profit or loss:				
Diversified fund	114,964	77,745	1,572	35,647
Canadian income and dividend fund	34,808	18,986	300	15,522
Fixed income funds	20,947	2,975	3,246	14,726
	175,754	104,741	5,118	65,895
Financial liabilities				
Accounts payable and accrued liabilities	6,588	6,588	-	-
	6,588	6,588	-	-

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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)**5.3 Market risk (continued)**

Financial markets have experienced significant volatility in response to the ongoing COVID-19 pandemic and the conflict in Europe. These events have constrained global supply chains which have pushed inflation and interest rates higher. The investment portfolios of the OPGT have been subject to these market fluctuations and may continue to experience significant volatility.

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, 2023 and 2022.

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

	2023	2022
United States Dollars	56,617	42,820
Euros	7,139	5,037
Other foreign currencies	18,523	14,045
	<u>82,279</u>	<u>61,902</u>

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% (2022: 5%) at March 31. The analysis assumes that all other variables, in particular interest rates, remain constant.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)**5.3 Market risk (continued)***5.3.1 Currency risk (continued)**In thousands of dollars*

	2023	2022
United States Dollars	2,831	2,141
Euros	357	252
Other foreign currencies	926	702
	<u>4,114</u>	<u>3,095</u>

A strengthening of the Canadian Dollar by 5% 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

	2023	2022
Impact on client (Estates and Trusts) and Administration fund assets	(5,474)	(3,137)

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, 2023 and March 31, 2022

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:

	2023	2022
Banks and financial services	52%	56%
Industrial and manufacturing	28%	25%
Information technology	10%	9%
Retail	7%	7%
Other	3%	3%
	<u>100%</u>	<u>100%</u>

The table below sets out the impact on the net financial assets and liabilities from a reasonably possible decrease of 15% (2022: 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.

In thousands of dollars

	2023	2022
	(54,856)	(51,979)

A strengthening in the individual equity market prices of 15% (2022: 15%) as at March 31 would have resulted in a proportionate but opposite effect to the amounts shown above.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)

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 \$1,772,580,000 (2022: \$1,672,519,000) and \$336,881,000 (2022: \$284,540,000) respectively. As a result, the fair value of net assets attributable to beneficiaries of Estates and Trust clients is \$2,652,731,000 (2022: \$2,427,005,000). The fixed income funds are categorized within Level 2 of the fair value hierarchy while real estate is categorized within Level 3. The fair value of real estate as at March 31, 2023 and March 31, 2022 is determined using the direct comparison method.

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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)

5.4 Fair value disclosures (continued)

5.4.2 Fair value hierarchy (continued)

The following fair value hierarchy table presents information about financial assets measured at fair value on a recurring basis as of March 31, 2023 and March 31, 2022.

Estates and Trusts*As of March 31, 2023**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	-	57,663	-	57,663
Diversified fund – equity	115,474	-	-	115,474
Diversified fund – bonds	-	81,477	-	81,477
Canadian income and dividend fund – equity	60,217	-	-	60,217
Canadian income and dividend fund – bonds	-	65,148	-	65,148
Equity securities – client owned	107,930	-	206	108,136
	283,621	204,288	206	488,115

*As of March 31, 2022**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	-	72,168	-	72,168
Diversified fund – equity	78,123	-	-	78,123
Diversified fund – bonds	-	40,471	-	40,471
Canadian income and dividend fund – equity	61,661	-	-	61,661
Canadian income and dividend fund – bonds	-	52,918	-	52,918
Equity securities – client owned	115,202	-	189	115,391
	254,986	165,557	189	420,732

Administration Fund*As of March 31, 2023**In thousands of dollars*

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
Diversified fund – equity	66,774	-	-	66,774
Diversified fund – bonds	-	47,115	-	47,115
Canadian income and dividend fund – equity	15,103	-	-	15,103
Canadian income and dividend fund – bonds	-	16,339	-	16,339
	81,877	63,454	-	145,331

*As of March 31, 2022**In thousands of dollars*

Investments at fair value through profit or loss:

	Level 1	Level 2	Level 3	Total
Diversified fund – equity	73,025	-	-	73,025
Diversified fund – bonds	-	37,831	-	37,831
Canadian income and dividend fund – equity	18,330	-	-	18,330
Canadian income and dividend fund – bonds	-	15,731	-	15,731
	91,355	53,562	-	144,917

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

5. Financial risk management (continued)

5.4 Fair value disclosures (continued)

5.4.2 Fair value hierarchy (continued)

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.

Transfers between fair value hierarchy levels are considered effective from the beginning of the reporting period in which the transfer is identified. During 2023 and 2022 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 except for the assets and liabilities 5.4.1 above.

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.

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

6. Accounts receivable

	Estates and Trusts 2023	Estates and Trusts 2022	Administration Fund 2023	Administration Fund 2022
<i>As at March 31</i>				
<i>In thousands of dollars</i>				
Accrued revenue due from Estates and Trusts	-	-	3,912	3,069
Balances due from the Federal and Provincial Government, its Agencies and Crown Corporations	-	-	41	21
Balances due from the Administration Fund	4,784	2,667	-	-
Other receivables	1,498	2,650	100	14
	6,282	5,317	4,053	3,104

7. Other assets

	Estates and Trusts 2023	Estates and Trusts 2022
<i>As at March 31</i>		
<i>In thousands of dollars</i>		
Life Insurance	8,345	8,002
Prepaid Funerals, Cemetery plots and Burial Instruments	4,898	5,083
Vehicles	2,165	1,747
Jewellery	1,436	1,316
Furniture and Medical Aid Equipment	801	797
Collectibles	546	517
Other	26	26
Art	39	32
	18,256	17,520

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

8. Accounts payable and accrued liabilities

	Estates and Trusts 2023	Estates and Trusts 2022	Administration Fund 2023	Administration Fund 2022
<i>As at March 31</i>				
<i>In thousands of dollars</i>				
Accrued expenses	3,809	2,709	3,456	3,921
Balances due to the Federal and Provincial Government, its Agencies and Crown Corporations	36,871	34,208	-	-
Balances due to Estates and Trusts	-	-	4,784	2,667
Other liabilities of Estates and Trust clients	67,303	68,574	-	-
	107,983	105,491	8,240	6,588

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

	Administration Fund 2023	Administration Fund 2022
<i>For the year ended March 31</i>		
<i>In thousands of dollars</i>		
Client trusts	27,090	23,829
Deceased Estates	3,812	4,084
Minors	3,267	3,025
Litigants	3,614	2,817
Cemetery trusts	192	238
Forfeited corporate assets/corporate trusts	533	3
	38,508	33,996

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

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

	Estates and Trusts 2023	Estates and Trusts 2022	Administration Fund 2023	Administration Fund 2022
<i>For the year ended March 31</i>				
<i>In thousands of dollars</i>				
Bonds and other debt securities – client owned	3,243	4,431	-	-
Diversified fund	5,368	6,004	1,304	7,092
Canadian income and dividend fund	(4,565)	11,657	(1,435)	3,367
Equity securities-client owned	9,775	17,993	-	-
	13,821	40,085	(131)	10,459

11. Salaries, wages and benefits

	Administration Fund 2023	Administration Fund 2022
<i>For the year ended March 31</i>		
<i>In thousands of dollars</i>		
Salaries and wages	37,075	37,235
Compulsory employer contributions	2,765	2,558
Other benefits	2,436	2,429
Termination benefits	596	573
	42,872	42,795

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

12. General Administration

	Administration Fund 2023	Administration Fund 2022
<i>For the year ended March 31</i>		
<i>In thousands of dollars</i>		
Systems development and data processing	14,370	2,798
Miscellaneous expenses	751	773
Leases and rentals	470	437
Security	165	187
Training and education	83	51
	15,839	4,246

13. Related party transactions

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 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:

- Investments in certain financial instruments that are issued by these related parties;
- Expenditure on certain services including information technology and telecommunication costs provided by these related parties; and
- 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 \$59,699,000 (2022: \$47,933,000) and recovered \$39,093,000 (2022: \$27,939,000), for a net grant by the Province of \$20,606,000 (2022:\$19,994,000).

Notes to financial statements (continued)

March 31, 2023 and March 31, 2022

13. Related party transactions (continued)

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, 2023 and March 31, 2022

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 2023	Administration Fund 2022
Salaries and Wages	791	888
Employee benefits	35	21

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 \$2,290,000 (2022: \$596,000) 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, \$4,787,000 (2022: \$510,000) 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 amount of the claim is \$33 million. The Public Guardian and Trustee, based on information available, believes that it may be found liable for some portion of the 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.