

2019-20 Annual Report

**Office of the Public Trustee, Public
and Official Guardian**

Note to Readers:

Copies of the annual report are available online

**Office of the Public Trustee,
Public and Official Guardian
Department of Justice &
Public Safety**

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October, 2020

Office of the Public Trustee, Public and Official Guardian Annual Report 2019-20

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Preface

The Public Accounts of Prince Edward Island are prepared in accordance with the *Financial Administration Act*. The Public Accounts consist of the annual report of the Government of Prince Edward Island and the annual reports of its ministries.

This annual report provides a detailed look at the Office of the Public Trustee, Public and Official Guardian’s activities.¹ It outlines actual performance results and develops performance standards for consideration in the upcoming 20-21 year.

¹ This report was amended on July 29, 2022 to make typographical changes and reflect final figures related to asset management and the Office’s caseload of clients as of March 31, 2020.

Director's accountability Statement

The Office of the Public Trustee, Public and Official Guardian's annual report for the year ended March 31, 2020, was prepared under my direction in accordance with the recommendations of the Auditor General in the 2017 Auditor report and with the government's accounting policies.

Clare Henderson
Director of Family Law and Court Services
Department of Justice and Public Safety

Message from the Director

I am pleased to present the Annual Report for the Office of the Public Trustee, Public and Official Guardian (PGPT) for the period of April 1, 2019 to March 31, 2020.

This year has been all about continuing the transformation of the PGPT Office in response to the recommendations from the 2017 Report of the Auditor General. Significant work has been done by the staff at the Office to modernize and revitalize the work done to support vulnerable Islanders. This report also establishes benchmarks and reporting goals for the Office for the upcoming 2020/2021 financial year.

The biggest change within the Office this year has been the work done by staff and the assignment of a project manager to assist with the comprehensive updating and modernizing of the case management software platform used by the Office. While we hoped to have this software roll out completed during the 2019-2020 year, the global COVID-19 pandemic following a malware attack on government delayed the project. This new software platform will revolutionize the administration of the functions of both the Public Guardian and Public Trustee Offices. Most importantly, it will allow for more comprehensive reporting and oversight of the Office to support the good work being done by our staff.

At its core, the PGPT continues to achieve its mandate of supporting vulnerable Islanders. They are providing timely and sound support to individuals under the care of the Office. The transformation project undertaken has been about providing more support to staff to allow them to provide excellent service to our clients. The changes that have been implemented are about providing excellent quality service to our clients and providing staff with modern and robust tools to assist them in their work. Going forward, our immediate plans are to maintain the focus on building a strong foundation. Next year will be about implementing the new systems and practices we have developed.

I would like to thank our staff who do this important work in addition to their regular jobs. This collective effort moves us closer to achieving our vision of a province where all Islanders can achieve personal autonomy, live with dignity and maximize their potential.

[Original signed by]

Clare Henderson
Director of Family Law & Court Services

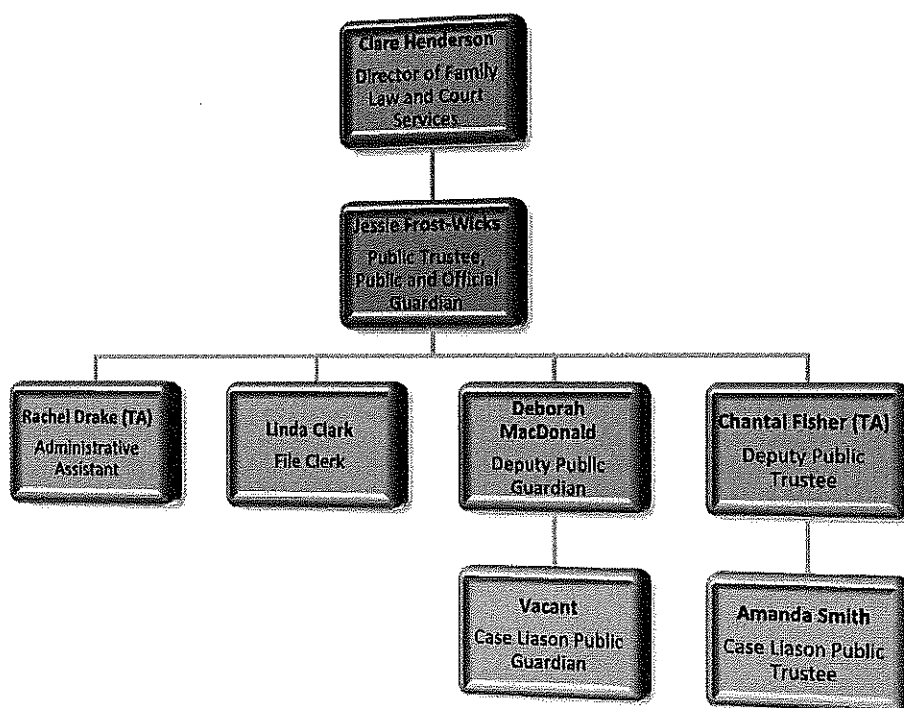
Results analysis

Section Overview

Ministry

The PGPT is a branch of the Family Law and Court Services Division within the Prince Edward Island Department of Justice and Public Safety (JPS).

Organizational Structure



Responsibilities

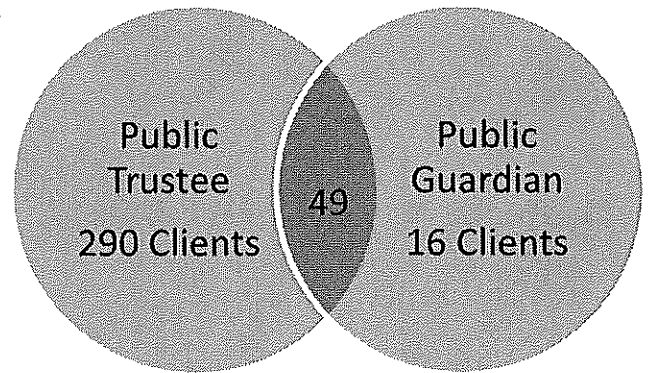
❖ Guardianship and trusteeship

As of March 31, 2020, a total of 355 Islanders were under Trusteeship or Guardianship by the Public Trustee and Public Guardian. The total caseload remained relatively static from the previous year due to similar numbers of new files and file closures. The Public Trustee office opened 41 new files in this fiscal year and closed 41 files. The Public Guardian office opened 5 new files and closed 7.

The PGPT is considered to be the office of last resort. When a friend or family member assumes this role, they are called a private guardian and/or trustee.

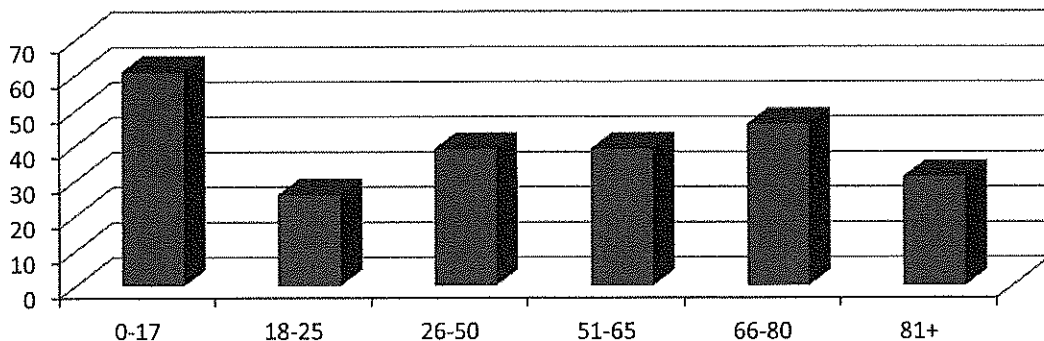
When someone applies to become a private guardian and/or trustee, the PGPT reviews the formal application package before it goes to court, and there is authority for the PGPT to intervene in cases where the PGPT considers the application to be inappropriate.

If there is no one is willing or able to act as guardian or trustee for an adult who needs one, the Public Guardian may apply to become the Guardian and the Public Trustee may receive the required Certificates of Incompetence to become the committee, or trustee, for the individual.

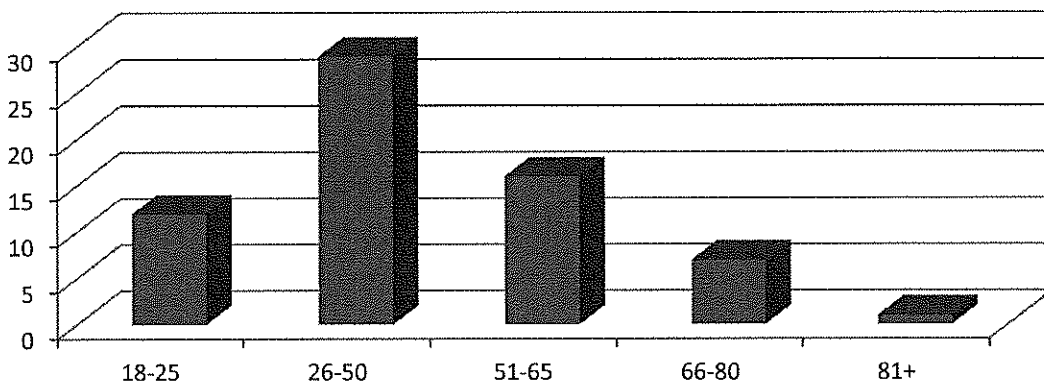


Of the 355 clients of the Office, 290 are exclusively clients of the Public Trustee, 16 are exclusively Public Guardian clients, and 49 are clients of both the Public Trustee and the Public Guardian.

Public Trustee - Client Demographics



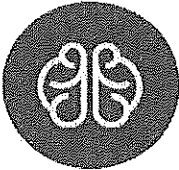
Public Guardian - Client Demographics



Most PGPT clients are under the age of 65 and have developmental disabilities, psychiatric disorders, brain injuries, fetal alcohol spectrum disorder, or another condition that has rendered them unable to make their own decisions. The PGPT acts as a substitute decision maker and makes decisions on their behalf. To the degree that clients are able, we involve them in the decisions that impact their lives. It is our core belief that people should have as much personal autonomy as possible.

❖ Other decision-making options

In addition to formal guardianship and trusteeship, the Office of the Public Trustee, Public and Official Guardian can also provide support in other circumstances. Examples include:



When someone goes to the hospital for treatment, before the hospital can treat them, the individual has to give their consent. If the person lacks the capacity to give consent (for example, they are unconscious and have no loved one or guardian), the PGPT may be asked to step in temporarily to provide consent and determine a treatment plan. In 2019-20, we acted as a **substitute decision-maker of last resort under the *Consent to Treatment and Health Care Directives Act***.



There may be situations where an individual is not incompetent to manage their financial affairs, but is physically incapable of conducting their day to day affairs. In those situations, the Public Trustee may, if no one else is willing or able, accept a Power of Attorney from the individual to manage their financial affairs. In 2019-20, the Public Trustee acted on behalf of three clients under the authority of a Power of Attorney.

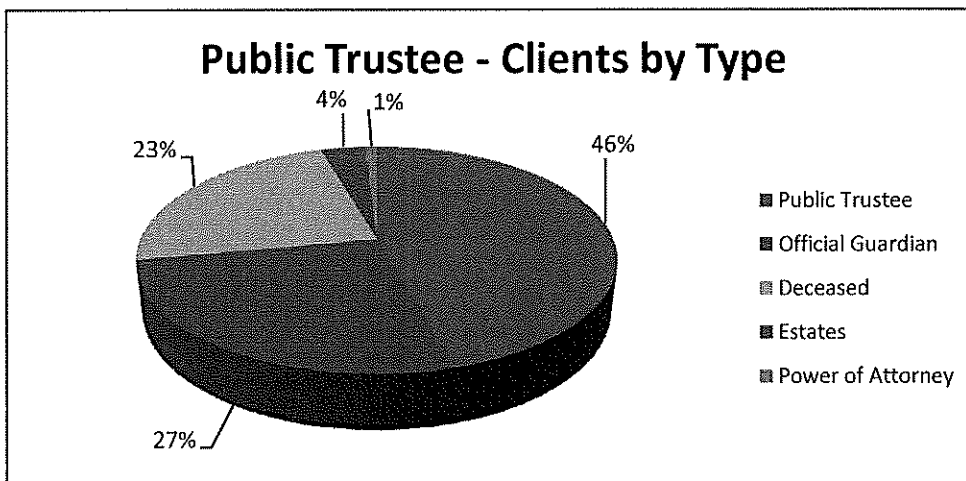
❖ Deceased Estates

The Office of the Public Trustee may, in certain circumstances, administer estates for clients of the Public Trustee who pass away but do not have a will or executor who is able to administer the estate. Administering a client estate includes paying debts and funeral costs, and distributing inheritance to known heirs or beneficiaries. In 2019-20, we had an active caseload of 13 deceased estates.

❖ Official Guardian

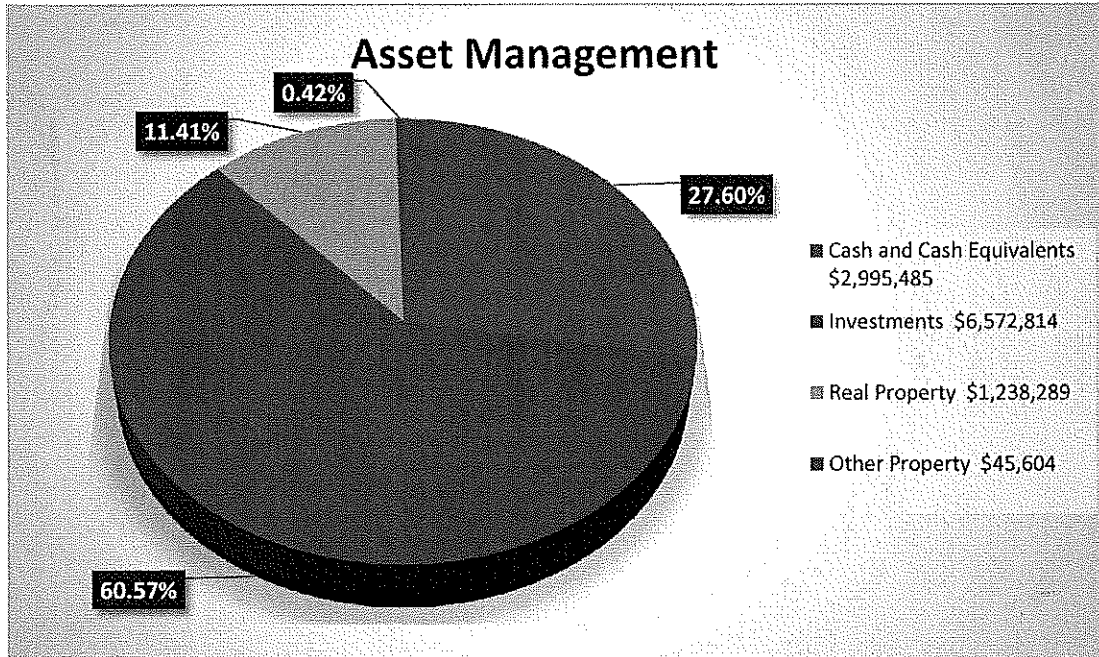
Parents and guardians can make personal decisions for minors about things like education, medical care and social activities. However, they do not automatically have the power to receive and manage money or property for their child.

If a minor or a party with a disability receives cash or property through things like a personal injury settlement, a life insurance policy or even a will that is not drafted properly, the PGPT may be called upon to manage the assets on the child's behalf until they turn 18 as the Public Trustee also holds the role of Official Guardian for the Province. Alternatively, parents can apply to the court to take on this role. In 2019-2020, the PGPT Office administered 89 Official Guardian files.



❖ Asset Management

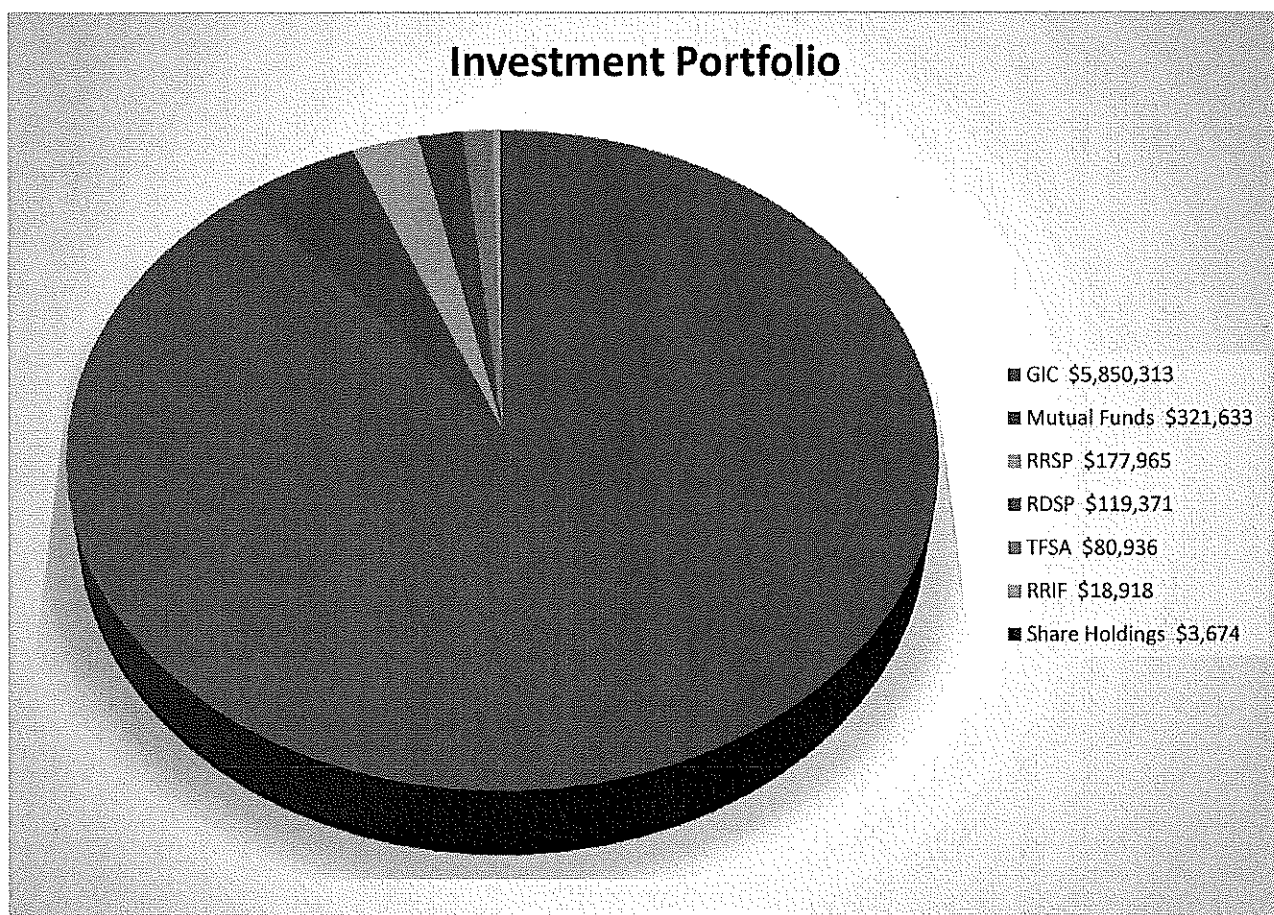
PGPT manages and protects approximately \$10,852,192 in trust for represented adults and Official Guardian files.




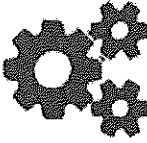

In 2019-20, we processed more than 8,700 transactions on behalf of clients – everything from paying for the interim care of property for someone who is deceased to depositing monthly support payments for clients with a disability. We work with daily financial services for our clients ranging from banks, government and private pension plans, employers, care facilities, utility companies, pharmacies, phone companies, etc. Hundreds of thousands of dollars flow through the Public Trustee Office each year in payments for the clients of the Office. That’s why it is so important that the proper checks and balances are in place.

Clients' monies are held separate from PGPT operating funds and, depending on the amount of funds in each client's estate, they are invested to earn interest, much like they would at a bank.

The Public Trustee has adopted a risk averse approach to investments, as it is believed to offer the greatest protection to our clients' assets while still offering a return on their investments.



OPGT strategic direction (2020-2025)

Vision	The PGPT will work with clients and community care providers to provide excellent, proactive, timely and respectful service to vulnerable adult Islanders and all Islanders.			
Mission	<p>The PGPT acts as a substitute decision maker for vulnerable Islanders:</p> <ul style="list-style-type: none"> • By protecting and advocating for individuals who are under the care of our office and deemed unable to make personal and financial decisions for themselves. • By providing legal guardianship to adults ordered under the Guardianship of the Public Guardian: making decisions regarding health care, where to live, with whom to associate, social activities, education, employment, and non-financial legal proceedings. • By administering the property of represented adults, Official Guardian clients and deceased clients. • By providing information, education and support to the public about the role of the PGPT. 			
Values	Respect	Accountability	Integrity	Excellence
Goal	By 2025, PGPT is an innovative organization that meets or exceeds client, staff and stakeholder expectations and supports the dignity and welfare of clients under the care of the Office.			
Priorities	<p>Smart service delivery</p> 	<p>Operational Excellence</p> 		
	Client Focus			
	PGPT		Culture	

Outcomes

In 2019-2020, the PGPT strived to achieve three outcomes:



Outcome one – Efficient service delivery: Islanders under the care of the Office receive quality service designed to meet their individual needs.



Outcome two – Operational excellence: PGPT's operating systems and processes support excellence and foster public trust.



Outcome three – Continued implementation of the recommendations of the Auditor General: The PGPT Office made significant strides in the implementation of the 2017 & 2018 recommendations of the Auditor General relating to the PGPT Offices.

Discussion of risks

As a part of the 2019-2020 operational review in the preparation of this Annual Report, the PGPT identified two key risks to achieving identified outcomes:

1. **Workload:** PGPT's caseload is growing as the population of PEI ages. In addition, the Office continues to see increases in the number of younger adults coming under the care of the Office due to mental health issues and drug related mental health issues. Moreover, operations at the office were impacted by continued efforts to implement audit recommendations and financial statement preparation.

Update:

The PGPT continues to see increases in the number of clients in the 26-50 and 51-65 age bands. This creates an increase in workload but also creates a circumstance where workload can be uncertain. As circumstances which bring individuals under the care of the office are beyond the control or knowledge of the PGPT, it is difficult to forecast operational demands.

In addition, significant time and resources at the PGPT Office in 2019-2020 were focused on continuation of efforts to implement the recommendations of the Auditor General. Further, the PT Office was focused on completion of all outstanding financial statement audits for the Office. The work towards these audits and implementation efforts is time intensive and in addition to the general operational demands of the Office.

During the 2019-2020 year, PT Office staff were successful in completing all outstanding financial statements for the Office and implemented protocols to ensure future financial statements were prepared in a timely fashion. In addition, based on the current work plan, the work done by the PGPT Office in 2019-2020 has positioned the office to complete the implementation of all AG recommendations by the end of 2020. This will allow the Office to focus exclusively on it's legislative mandate.

- 2. Global Pandemic:** Like many areas of government, operations within the PGPT Office were impacted by the global COVID-19 Pandemic. While the Office was able to continue and has continued services through the pandemic thus far, it clearly demonstrated that unknown circumstances can impact daily operations.

Update: The PGPT Office was able to continue services to clients of the PGPT Office without interruption during the first wave shut down following the depopulation of the Provincial Civil Service. The Office changed some of their procedures to facilitate payments to clients via electronic funds transfer to facilitate social distancing. The provision of services to PGPT clients is an essential service. The needs of clients do not stop because a global pandemic intervenes. In addition, many of the clientele of the Office are vulnerable and are acutely impacted by the public health emergency. The Office worked to identify efficiencies and technology to ensure the services provided to clients can continue in the event of a second wave shutdown. This included securing laptops to allow staff to work remotely, licenses to permit video meetings and increasing the contact with care providers and client beyond regular norms to monitor client well being.

- 3. Performance measures:** PGPT is in the early stages of setting and refining appropriate performance measures for the Office. The risk is that some of the data currently being tracked may be influenced by factors beyond PGPT's control. If so, a different measure may be required.

Update:

In 2019-20, the PGPT was able to move toward completion of the recommendations of the AG, allowing the Office to shift its focus from audit implementation activities to developing performance measures. Further, with the anticipated implementation of the new CompuTrust software update, the Office is better positioned to collect and report broader data sets to monitor performance. Completion of the CompuTrust project was delayed due to an unanticipated malware attack against government and the global pandemic that impacted both government and the software vendor.

Key factors influencing performance

Demands on PGPT are increasing.

Client and community needs are evolving as well. For example, many of the represented adults PGPT serves have complex needs. Physical and mental health issues, substance abuse, complex family structures and involvement with the justice system are increasingly common. In addition, the PGPT is not a care service provider. While we act as a substitute decision maker for clients, we do not provide care homes or therapeutic services for clients. Availability of resources for clients is subject to the availability of services provided by our community partners. The availability of supportive housing, secure mental health resources and locations for clients with complex case needs remains a challenge.

Despite these challenges, OPGT staff have always been and will remain committed to meeting the needs of clients and to helping them live their best lives possible. They see firsthand the impact that quality programming can have on individuals and communities, and often take a leadership role in creating positive change.

Performance Measures

Discussion of measures and approach

Establishing performance measures

The PGPT Office has been engaged in a comprehensive review of the Office procedures and protocols in responses to opportunities presented by the Office of the Auditor General in 2017 (PT) and 2018 (PG). Significant work has been undertaken to implement the recommendations of the AG. As the Office moved closer to completing that work, the Office moved in 2020 to establish performance measures to examine the office function and to monitor movement toward our newly established strategic direction.

Key Performance Measures

- 1. Survey Satisfaction: evaluate the current intake and community partner communication strategy for each client group (i.e. Public Trustee Clients, Public Guardian Clients, Official Guardian minors and deceased client estates).**
In 2020-2021 we will:
 - Engage in community partner and intake exit surveys to identify areas of operational efficiencies and opportunities for improvement;
 - Report on survey results; and
 - Review all policies and procedures relating to intake and communication following survey results.

2. **The PGPT will establish a benchmark minimum interest rate for annual rate of return on client investments**

In 2020-2021 we will:

- Establish a minimum interest benchmark for annual rate of return on client investment and begin reporting annually on client interest status against benchmark comparators; and
- Review all client investments to ensure benchmarks are achieved.

3. **The PGPT will develop broader statistical and risk tracking through the new CompuTrust upgrade and report annually on developing trends**

In 2020-2021 we will:

- Develop broader data sets for tracking statistical client information and trends through the implementation of the software upgrade of CompuTrust;
- Develop and identify process trends and compliance reports to track and identify risks; and
- Report annual on trends.

PUBLIC TRUSTEE

Financial Statements
March 31, 2020

Management's Report

Management's Responsibility for the Financial Statements

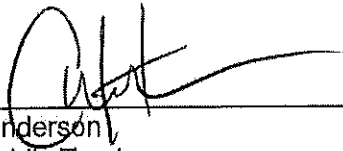
These financial statements have been prepared in accordance with the accounting policies disclosed in Note 2 to the financial statements and the integrity and objectivity of these statements are management's responsibility. Management is responsible for the notes to the financial statements and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

The Public Trustee is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Public Trustee reviews internal financial reports on a regular basis and externally audited financial statements annually.

The Office of the Auditor General conducts an independent examination, in accordance with Canadian generally accepted auditing standards and expresses their opinion on the financial statements. The Office of the Auditor General has full and free access to financial information and management of the Public Trustee.

On behalf of the Public Trustee



Clare Henderson
Acting Public Trustee



Chantal Fisher
Deputy Public Trustee

May 10, 2021

INDEPENDENT AUDITOR'S REPORT

To the Honourable Bloyce Thompson
Attorney General
Province of Prince Edward Island

Qualified Opinion

I have audited the financial statements of the **Public Trustee**, which comprise the statement of financial position as at March 31, 2020 and the statements of operations and accumulated surplus, change in net debt, and continuity of assets and liabilities for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Public Trustee as at March 31, 2020, and the results of its operations, changes in net debt, and continuity of assets and liabilities for the year then ended in accordance with Note 2 to the financial statements.

Basis for Qualified Opinion

It is not possible to verify by audit procedure that all client assets and liabilities, or the related receipts and disbursements, came under the administration of, or were recorded by, the Public Trustee. Accordingly, my verification of trust assets and liabilities was limited to those recorded in the accounts.

I conducted the 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 the Public Trustee 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.

Emphasis of Matter - Basis of Accounting

I draw attention to Note 2 to the financial statements, which describes the basis of accounting. Financial statements are prepared to assist the Public Trustee with financial reporting in accordance with the *Public Trustee Act*. As a result the statements may not be suitable for another purpose. My opinion is not modified in respect of this matter.

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 the accounting policies disclosed in Note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Public Trustee'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 an intention exists to liquidate or cease the operations of the Public Trustee, or there is no realistic alternative but to do so.

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

Auditor's Responsibility 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

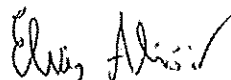
As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- 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 the Public Trustee's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Trustee'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 Public Trustee 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.



Darren Noonan, CPA, CA
Auditor General



Elvis Alisic, CPA, CA
Audit Director

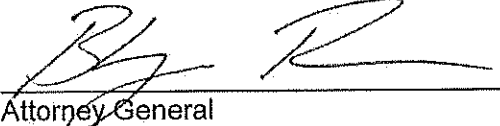
Charlottetown, Prince Edward Island
May 10, 2021

PUBLIC TRUSTEE
Statement of Financial Position
March 31, 2020

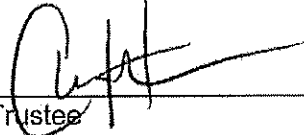
	2020	Restated 2019
	\$	\$
Financial Assets		
Cash and cash equivalents	2,995,485	3,140,531
Investments	<u>6,572,814</u>	<u>5,014,788</u>
	<u>9,568,299</u>	<u>8,155,319</u>
Liabilities		
Trust accounts	10,142,902	9,574,827
Due to the Province of Prince Edward Island	464,267	367,638
Accounts payable	3,077	14,512
Loans payable	<u>241,946</u>	<u>200,728</u>
	<u>10,852,192</u>	<u>10,157,705</u>
Net Debt	<u>1,283,893</u>	<u>2,002,386</u>
Non-Financial Assets		
Real property	1,238,289	1,959,900
Other property	<u>45,604</u>	<u>42,486</u>
	<u>1,283,893</u>	<u>2,002,386</u>
Accumulated Surplus	<u>—</u>	<u>—</u>

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

Approved on behalf of the Trustee



Attorney General



A) Public Trustee

PUBLIC TRUSTEE

Statement of Operations and Accumulated Surplus
For the year ended March 31, 2020

	Budget	2020	2019
	\$	\$	\$
Revenues			
Fees	100,000	27,678	36,657
Interest	<u>-</u>	<u>62,263</u>	<u>42,457</u>
	<u>100,000</u>	<u>89,941</u>	<u>79,114</u>
Expenses			
Bank charges	<u>-</u>	<u>2,958</u>	<u>2,946</u>
	<u>-</u>	<u>2,958</u>	<u>2,946</u>
Annual Surplus	100,000	86,983	76,168
Accumulated Surplus, beginning of year	-	-	-
Distribution to the Province of Prince Edward Island	<u>100,000</u>	<u>86,983</u>	<u>76,168</u>
Accumulated Surplus, end of year	<u>-</u>	<u>-</u>	<u>-</u>

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

PUBLIC TRUSTEE

Statement of Change in Net Debt
For the year ended March 31, 2020

	Budget	2020	Restated 2019
	\$	\$	\$
Net Debt, beginning of year	1,855,136	1,855,136	1,097,252
Restatement of Prior Periods (Note 4)	-	<u>147,250</u>	-
Restated Net Debt, Beginning of Year	1,855,136	2,002,386	1,097,252
Changes in year:			
Annual surplus	(100,000)	(86,983)	(76,168)
Distribution to the Province of Prince Edward Island	100,000	86,983	76,168
Real property (net)	-	(721,611)	912,634
Other property (net)	-	<u>3,118</u>	<u>(7,500)</u>
Net Change	-	<u>(718,493)</u>	<u>905,134</u>
Net Debt, end of year	<u>1,855,136</u>	<u>1,283,893</u>	<u>2,002,386</u>

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

PUBLIC TRUSTEE

Statement of Continuity of Assets and Liabilities
For the year ended March 31, 2020

	ASSETS					LIABILITIES				
	Cash	Investments	Real Property	Other Property	Total Assets	Accounts Payable	Due to Province	Loans Payable	Trust Accounts	Total Liabilities
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year	3,140,531	5,014,788	1,812,650	42,486	10,010,455	14,512	367,638	171,592	9,456,713	10,010,455
Restatement (Note 4)	-	-	147,250	-	147,250	-	-	29,136	118,114	147,250
Balance, beginning of year (restated)	<u>3,140,531</u>	<u>5,014,788</u>	<u>1,959,900</u>	<u>42,486</u>	<u>10,157,705</u>	<u>14,512</u>	<u>367,638</u>	<u>200,728</u>	<u>9,574,827</u>	<u>10,157,705</u>
Add:										
Receipts/acquisitions	9,808,711	5,670,299	440,839	20,705	15,940,554	3,077	-	123,539	15,813,938	15,940,554
HST on administration fees	-	-	-	-	-	-	4,168	-	(4,168)	-
Administration fees	-	-	-	-	-	-	27,678	-	(27,678)	-
Unclaimed trust balances	-	-	-	-	-	-	7,579	-	(7,579)	-
Interest and other investment income	62,551	63,582	-	-	126,133	-	62,263	6,211	57,659	126,133
	<u>9,871,262</u>	<u>5,733,881</u>	<u>440,839</u>	<u>20,705</u>	<u>16,066,687</u>	<u>3,077</u>	<u>101,688</u>	<u>129,750</u>	<u>15,832,172</u>	<u>16,066,687</u>
Less:										
Disbursements/disposals	10,013,350	4,175,855	1,162,450	17,587	15,369,242	14,512	2,101	88,532	15,264,097	15,369,242
Bank charges	2,958	-	-	-	2,958	-	2,958	-	-	2,958
	<u>10,016,308</u>	<u>4,175,855</u>	<u>1,162,450</u>	<u>17,587</u>	<u>15,372,200</u>	<u>14,512</u>	<u>5,059</u>	<u>88,532</u>	<u>15,264,097</u>	<u>15,372,200</u>
Balance, end of year	<u>2,995,485</u>	<u>6,572,814</u>	<u>1,238,289</u>	<u>45,604</u>	<u>10,852,192</u>	<u>3,077</u>	<u>464,267</u>	<u>241,946</u>	<u>10,142,902</u>	<u>10,852,192</u>

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

PUBLIC TRUSTEE

Notes to Financial Statements

March 31, 2020

1. Nature of Operations

The Public Trustee administers assets and liabilities received in the following situations:

- Individuals who are declared incompetent, pursuant to the *Public Trustee Act*;
- Estates of deceased individuals who died intestate, or where no one else is responsible or qualified to administer the estate, pursuant to the *Provincial Administrator of Estates Act*;
- Compensation awards under the *Victims of Crime Act* to minor persons or to individuals requiring assistance in managing their affairs, at the discretion of the Attorney General;
- Court ordered settlements involving minor persons, according to the *Judicature Act*; or
- Individuals who have given voluntary power of attorney to the Public Trustee, pursuant to the *Power of Attorneys Act*.

An advisory committee shall be appointed pursuant to the *Public Trustee Act*, having the power to make recommendations respecting the management and conduct of the Office of the Public Trustee as it considers advisable. The advisory committee is also available for the Public Trustee to consult with respecting administrative matters.

As at March 31, 2020, there were 339 client accounts of the Public Trustee with net balances ranging up to \$1,082,000. As at March 31, 2019, there were approximately 330 client accounts with net balances ranging up to \$547,000.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on a disclosed basis, with the underlying framework being Canadian Public Sector Accounting Standards.

A Statement of Cash Flow is not presented as the required cash flow information is disclosed in the Statement of Continuity of Assets and Liabilities.

The following accounting policies are considered significant.

a) Revenues and expenses

Revenues and expenses are recorded on an accrual basis in the period in which the transaction or event that gave rise to the revenue or expense occurred.

b) Trust accounts

Client assets and liabilities are recorded and documented when they are received. The accounts record all known assets, including those owned by clients whose affairs are administered pursuant to a power of attorney and in respect of which the Public Trustee does not have exclusive control. The value of unknown assets and liabilities is not determinable and therefore no amounts have been recognized in these financial statements. The balance of the trust accounts includes changes in fair market values of investments traded in active markets.

PUBLIC TRUSTEE

Notes to Financial Statements

March 31, 2020

2. Summary of Significant Accounting Policies (continued...)

c) Investments

Investments consist of shares, bonds and other interest bearing assets held in trust. These investments are recorded at fair market value plus accrued interest. Gains and losses earned on investments traded in active markets are realized as increases or decreases in the trust accounts. A statement of unrealized gains and losses has not been prepared.

d) Real property

Real property, which is transferred to the Public Trustee's control, is recorded at its tax assessment value at the time of appointment to the Public Trustee, and adjusted annually to reflect the tax assessment value at year-end. Real estate purchased by the Public Trustee on behalf of clients is recorded at cost. Where there is joint ownership, the value is allocated based on the relevant legislation. The assets are not amortized.

e) Other property

Other property is held in trust and recorded at cost and consists of any asset of significant value, other than real property. The assets are not amortized.

f) Loans payable

Client loans payable consist of those mortgages and personal loans held in trust in respect of which the Public Trustee is administering repayment on behalf of clients. Public Trustee is not responsible to repay loans in excess of assets held so excess loans are not recorded.

g) Due to the Province of Prince Edward Island

The excess of revenues over expenses is payable to the Province of Prince Edward Island. In addition, HST collected on administrative fees is payable to the Province and remitted to the Federal government.

The *Public Trustee Act* requires all property held by the Public Trustee of the estate of a deceased person that is not claimed within five years of the date of death, by any person entitled to that property, to become property of the Province and converted into cash by the Public Trustee and paid to the Minister of Finance.

h) Cash and cash equivalents

Cash and cash equivalents consist of deposits on hand with banking and legal institutions which can be drawn upon by the Public Trustee in administering client accounts.

PUBLIC TRUSTEE

Notes to Financial Statements

March 31, 2020

3. Related Party

There are resources provided by the Province of Prince Edward Island such as office facilities, support services, insurance coverage, salaries and employee future benefits, the cost of which is assumed by the Province and not reflected in these financial statements.

4. Restatement of Prior Period Amounts

A property that was jointly owned by a client and a property and loan payable belonging to another client were not reflected in the 2019 financial statements in error. As a result, prior period figures have been restated. Real property increased by \$147,250, loans payable increased by \$29,136, and trust accounts increased by \$118,114. The overall effect on opening and closing net debt is an increase of \$147,250.

5. Impact of COVID-19

On March 11, 2020 the World Health Organization declared a global pandemic due to Coronavirus (COVID-19). Due to the global market fluctuations arising as a result of COVID-19 pandemic, non-guaranteed investments have experienced a decline. This has a limited impact on the investments in the trust as most of the investments are guaranteed. Subsequent to year-end the markets have stabilized reducing the volatility caused by the pandemic. The impact of the pandemic on future operations cannot be reasonably estimated at this time.