

Ontario 

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Office of the Public Guardian and Trustee
2023-24



MINISTRY OF THE ATTORNEY GENERAL

Office of the Public Guardian and Trustee
Annual Report 2023-24

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OPGT Land Acknowledgement

A land acknowledgement recognizes the traditional territory of Indigenous peoples who called the land home before the arrival of settlers and in many cases still call it home. Providing this acknowledgement gives an opportunity to reflect on the importance of Indigenous lands, treaties and people and to think about what happened in the past and what changes we can make going forward.

We recognize that our work to protect the legal rights of vulnerable individuals takes place on traditional Indigenous territories across the province. We acknowledge that there are 46 treaties and other agreements that cover the territory now called Ontario. We are thankful to the First Nations, Métis and Inuit people who have cared for these territories since time immemorial and who continue to contribute to the strength of Ontario and to all communities across the province.

The Office of the Public Guardian and Trustee acknowledges that it delivers services in the traditional Indigenous territories across the province. As an organization, we commit to meaningful reconciliation, including ensuring our own cultural competency and that we take intentional steps to ensure our programs work toward improved outcomes for the clients we serve who identify as Indigenous.

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, 2023 to March 31, 2024.

This year has been one of significant change as we bid farewell to former Public Guardian and Trustee, Kenneth R. Goodman, under whose guidance our organization achieved significant milestones, including the initiation of our modernization journey. On behalf of the whole organization, I would like to express our appreciation to Ken for his leadership and dedication over the past 11 years.

This year has matched the intensity of previous years, living up to expectations as another challenging and busy year. During my inaugural year, I have learned a great deal about the complexity of our programs and the critical services we provide to our clients. I am immensely proud of the work that we do in service to our clients, and I want to express my gratitude to our entire staff whose ongoing efforts, resilience and commitment have driven our incredible accomplishments this past year:

Highlight of Achievements:

- ✓ With a focus on achieving efficiencies and addressing workload, we pursued innovative client service delivery models, such as a lean review of our client onboarding process and process changes to shorten review timelines to ensure family can replace the OPGT as guardian of property on a timely basis;
- ✓ We expanded the contact centre across all regional offices of the OPGT, taking 253,000 calls during the fiscal year and resolving over 40 per cent of those calls;
- ✓ We achieved positive investment returns on all funds for our clients and found workload efficiencies by standardizing and centralizing investments resulting in lowered investment management fees;
- ✓ We streamlined payment processes in a number of areas and digitized processes to reduce duplication, ensuring that our clients get their benefits faster and improving customer service;
- ✓ We have worked steadfastly to continue our journey to modernize the OPGT in ways that will enable us to deliver excellent services in a more effective and efficient way;
- ✓ Work is underway to replace the OPGT's aging IT systems with a modern, integrated, cloud-based, Microsoft Dynamics 365 system. Our effort this year focused on configuring the new system and will soon turn to rigorous testing and readying staff for the change.

In addition to the ongoing IT renewal, and as part of our ongoing modernization, the leadership team began an organizational transformation exercise to ensure the OPGT is set up to sustainably meet evolving needs and expectations of our clients,

stakeholders and staff well into the future. We engaged the entire organization in discussions around strengths and opportunities for the future, while the leadership team also began a review of the goals and priorities that will guide us for the next five years. As we continue through our transformation, we are excited to provide updates through future annual plans on our progress towards achieving our goals, priorities and client outcomes.

My first year has been both inspiring and enlightening and I am deeply honoured to serve as Ontario's PGT. I would like to express appreciation to our Audit Committee, Investment Advisory Committee members, Guardianship Advisory Committee and our government partners for your ongoing service and contributions to the OPGT in 2023-24.

In closing, I share an excerpt from an email received from a client's family member to one of our Senior Client Representatives which serves to highlight the importance of our work.

"You were always very responsive and I thank you for your support during this time. My knee jerk reaction was not good at first, but I am a logical, reasoning person and at the end of the day I appreciate your support. I hope that others feel the same way. OPGT is a safety net for those [who are] vulnerable and I can stand behind that because of you and our interactions."

Knowing that we can provide this kind of comfort and support motivates and inspires us to continue to strive for service excellence. I am excited about the future of our organization and look forward to building on our achievements and successes.



Sidney Peters

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*.

Our Mission, Vision and Guiding Principles

Mission: We use our collective expertise to make a difference by protecting the interests of those we serve.

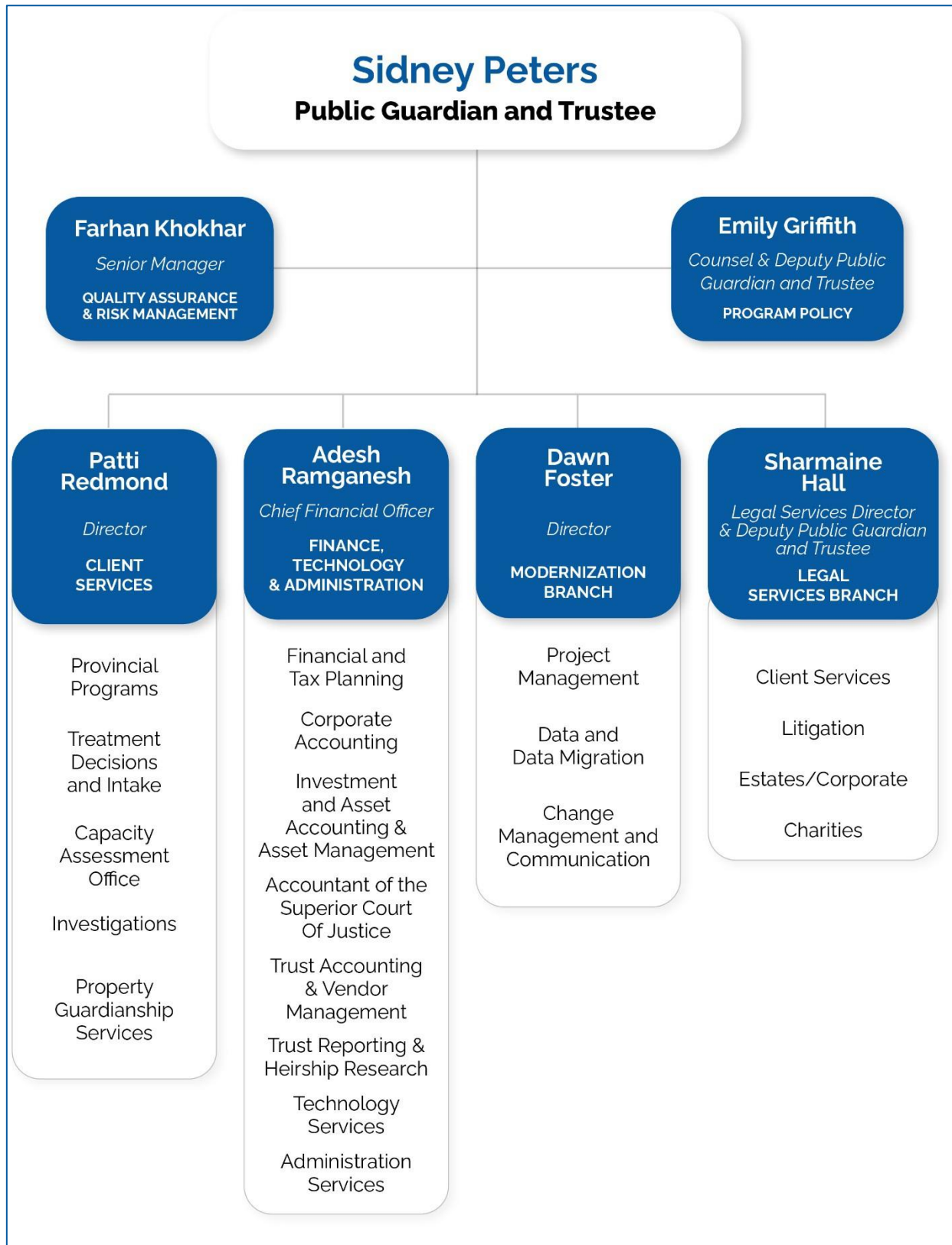
Vision: Working together, we value and protect our clients.

Guiding Principles:

- ✓ Accountable
- ✓ Creative
- ✓ Effective
- ✓ Honest
- ✓ Respectful
- ✓ Informative

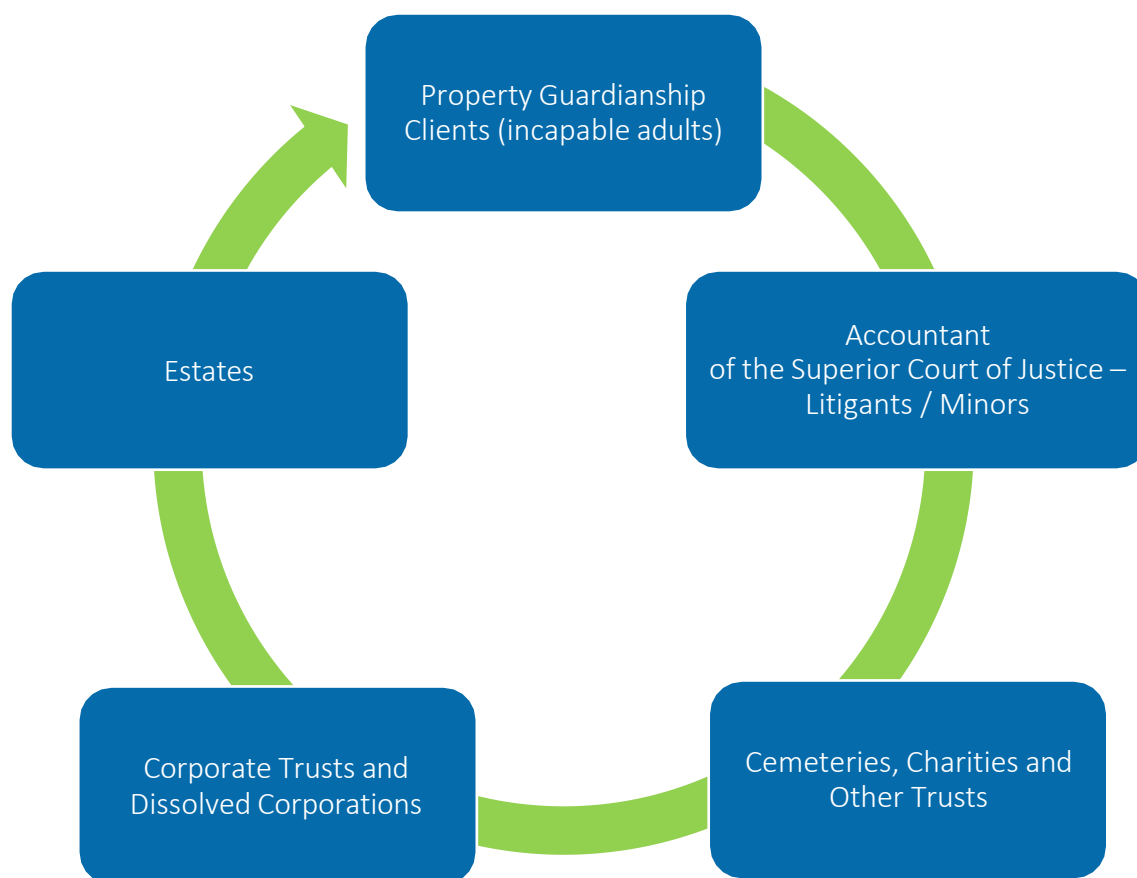
Organizational Structure

The Public Guardian and Trustee (PGT) delegates authority and responsibilities to staff members. Since staff operate under the PGT's authority, this report attributes our activities to the OPGT.



The OPGT: Five Integrated Services Areas

The OPGT administers approximately \$2.9 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.

Public Education

The OPGT receives many requests to provide outreach from the public and many agencies, community and health organizations 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 please visit the [official Government of Ontario website](#) (opens in a new window).

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](#), (opens in a new window).

In the 2023-2024 fiscal year, the OPGT presented 22 outreach sessions to various hospitals, stakeholders and community partners and while some continue to be virtual sessions, the OPGT has recommenced 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 Property Guardianship Services 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. 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 2023-24 fiscal year:

- 439 hours of staff training was delivered to new staff.
- 39 bulletins were distributed to staff in client services.
- 5 wellness training sessions were hosted to support staff.

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 creating efficiencies across the organization. Key accomplishments this year include:

Expansion of Contact Centre: The OPGT Contact Centre continued to be a support to various OPGT departments and clients in particular Property Guardianship Services, and as well as handling general inquiry topics such as mental incapacity, powers of attorney and the capacity assessment process. Planning to expand to other areas and incorporate email communication and to explore innovative ways to improve services to Ontarians continues.

Modern Business Tools: The replacement of the end-of-life financial, case and document management systems with a cloud-based Microsoft Dynamics 365 solution is progressing. Deloitte is working with the OPGT to configure the new IT solution, using an agile project management approach. Development activities will continue into the fall of 2024 after which the project will focus on testing the new solution.

Creating Efficiencies: Each branch within our organization is actively exploring ways to streamline and improve efficiency. This effort, fueled by our larger modernization project, underscores our commitment to continuous improvement and delivering improved levels of service outcomes across all of the OPGT.

Looking forward, next year will focus on completing the configuration of the new IT system, testing the system, migrating data, supporting staff through change management and training to support 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 incapable under the *Substitute Decisions Act, 1992*.

Note: 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.

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 2023-24, the OPGT was actively managing the finances of 13,516 clients.

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

At the end of the 2023-24 fiscal year, 5,514 or almost 41% of OPGT's clients were considered to have a complex financial file. The finances of the remaining clients (slightly more than 59%) 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 2023-24 fiscal year, 925 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 2023-24 fiscal year, the OPGT continued to act as the court appointed guardian of personal care on behalf of 61 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, community treatment orders, end of life or palliative care, and admission to long-term care. For the 2023-24 reporting year, the OPGT's Treatment Decisions Unit made 12, 131 treatment decisions which included:

- ✓ 191 end of life/palliative care decisions
- ✓ 450 Long Term Care admission decisions
- ✓ 1758 Community Treatment Order decisions
- ✓ 1158 COVID vaccine decisions
- ✓ 1251 other immunization decisions (i.e., Flu, Pneumonia)

Hierarchy Of Substitute Decision Makers

1. A guardian appointed by the court
2. A person with a "power of attorney for personal care"
3. A representative appointed by the Consent and Capacity Board
4. A spouse or partner
5. A child or parent (custodial parent if the patient is a minor)
6. A parent who has access rights (if the patient is a minor)
7. A brother or sister
8. Any other relative
9. The OPGT

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.

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.

Note: To learn more, visit the [Guardianship page of the Government of Ontario website](#), (opens in a new window). This year the OPGT received 301 statutory applications. During the year, 222 applications were approved, while the remaining are still in process, withdrawn, or refused.

Guardianship Advisory Committee

The Guardianship Advisory Committee (GAC) advises the OPGT on matters relating to substitute decision-making under the *Substitute Decisions Act, 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
- ✓ Community Living Ontario
- ✓ Retirement Homes Regulatory Authority

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.

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 meets the OPGT's financial criteria after payment of the funeral and all debts owing by 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, 2024, there were 1,720 estates under administration. The OPGT received 835 inquiries to administer estates throughout the fiscal year and continued to manage approximately \$211.4 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 \$55.8 million
- ✓ \$0.7 million in chattels and vehicles
- ✓ \$27.4 million in external investments
- ✓ \$0.1 million in other assets including life insurance policies and loans receivable

Cemetery Trusts

In Ontario, cemetery owners are required to place a portion of the fees charged (including those for supplies or services purchased prior to death) into a trust fund, some of which are held and managed by the OPGT. The OPGT pays out the monthly income to cemetery owners, who then use the interest earned on the trust funds for the upkeep of the cemetery.

As part of continuous improvement process, this reporting year the OPGT introduced some enhancements to the investment of perpetual care funds for cemeteries. In addition to modifications to the portfolio to enhance expected return, the OPGT has moved to streamline distribution payments, enabling more frequent distributions via electronic funds transfers (where available, as opposed to cheques) to assist in paying for the ongoing care and maintenance of the cemeteries. The OPGT has also improved year end statements to assist cemeteries with their reporting obligations.

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 \$73 million was distributed to minors who reached the age they were eligible to receive funds.

In 2023-24 the OPGT managed the accounts of approximately 34,500 minors, incapable persons, absentees and litigants, totalling approximately \$1.128 billion in assets.

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:

- Initial qualification and training of assessors regarding legislation and the Guidelines for Conducting Assessments of Capacity.
- Providing ongoing support and education to current designated capacity assessors.
- Maintaining the public list of qualified capacity assessors.
- Administering a Financial Assistance Program for low-income individuals and families to cover the cost of a capacity assessment under the *Substitute Decisions Act*.

Note: As of March 31, 2024, there are 86 designated capacity assessors in Ontario.

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 misuse of charitable property in Ontario.
- ✓ Facilitates charities obtaining Court orders without going to Court.

In 2023-24, the OPGT Charitable Property Program received 48 litigation matters, 163 complaints and requests for information and 332 requests for OPGT approval or inquiries regarding incorporations and amendments to charities' corporate documents.

This past year the OPGT led work on changes to the *Charities Accounting Act*, to eliminate an administrative burden for charities by removing the need to send notice to the OPGT when they are established. The amendment was enacted by the Ontario legislature in December, 2023 as part of Bill 139, the *Less Red Tape, More Common Sense Act, 2023*.

The OPGT also works with charities in non-contentious matters to obtain court orders under s. 13 of the Charities Accounting Act, to help charities to more effectively carry out their charitable work. Such orders are available in cases where it has become impossible or impracticable to apply charitable property to the original purposes or where the methods of carrying out the charitable objects no longer work. This year, the OPGT reviewed and approved an order involving more than \$34 billion in charitable funds, allowing the charity to operate more effectively and efficiently.

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, with the consent of the OPGT, to hold in trust for the missing shareholders or creditors for ten (10) years, after which any remaining funds are the property of the Crown.

Spotlight on Clients

Note: Identifying information of clients has been omitted to ensure privacy.

A Collaborative Effort to Secure *Frank's Home



*Frank, a senior whose residence was listed for a property tax sale, was brought to the attention of the OPGT's Guardianship Investigations Unit (GIU). Although Frank's property held significant value, the amount of tax arrears was proportionately small in comparison. A tax sale would not only result in Frank losing his home but also much of the equity in it. With only seven business days remaining until the bidding process closed, a decision was made to commence a guardianship investigation to preserve Frank's well being.

The investigator, GIU Team Leader and counsel worked quickly to assess the situation and attempt to delay the sale. It quickly became clear that Frank was incapable of managing his affairs. The property was owned by Frank's deceased parents and Frank had never dealt with their estates. Additionally, Frank had not been receiving any income despite being eligible for a private pension for several years. The investigator travelled a considerable distance to meet with Frank on multiple occasions and assisted him in contacting the private pension source to discuss eligibility and the application process. However, it became apparent that Frank was not capable of completing the application on his own. Efforts were also made to connect Frank to a lawyer, but he was unable to follow through.

The GIU team advocated on Frank's behalf but could not delay the tax sale pending the outcome of the investigation. The investigator searched for Frank's extended family and managed to locate a cousin who agreed to pay the property tax arrears at the last minute, successfully averting the sale.

A voluntary capacity assessment was eventually arranged for Frank and he became a property guardianship client of the OPGT due to his incapacity and lack of having someone willing to manage on his behalf. Property Guardianship Services has been working diligently to get Frank's pension in pay and ensure he has funds to pay for food and transportation.

A referral was also made to the OPGT's Estates Unit, which investigated and took on administration of Frank's parents' estates. Estates Unit staff located a bank account

with funds belonging to the estate, which the bank agreed to release for property related expenses, allowing Frank to continue residing in the property while the estate administration took place.

A positive outcome was achieved for Frank through the immense teamwork of GIU, PGS and Estates, along with Frank's supportive family members.

Safeguarding a Vulnerable Senior



The OPGT's Guardianship Investigations Unit was contacted by a Long Term Care (LTC) Home regarding a resident, *Ms. Smith. The LTC Home alleged that Ms. Smith's son, who was her attorney for property, was not paying her accommodation fees, putting her at risk of eviction. The OPGT's investigation discovered that Ms. Smith's son admitted her to the long-term care facility following the death of her husband. However, he rarely visited or contacted her. Despite Ms. Smith being the sole beneficiary of her husband's estate, her son, who was the estate trustee, had access to the estate's funds. He misused hundreds of thousands of dollars for his own benefit, including moving into the house Ms. Smith inherited and renovating it for his personal use.

The OPGT commenced an urgent court application to freeze the son's access to Ms. Smith's accounts and prevent him from selling her property. Ultimately, the Court agreed with the OPGT ordering her son to repay over \$230,000.00 to Ms. Smith. The OPGT will take steps to sell the property to ensure the funds are used for Ms. Smith's benefit. Through her counsel, Ms. Smith expressed her gratitude to the OPGT for their assistance.

Emergency Guardianship Prevents Unsafe Discharge



A community agency contacted the OPGT with concerns about *Karen, a young woman who had experienced significant childhood trauma and lived in numerous foster homes. Diagnosed with developmental delay and PTSD, Karen frequently engaged in self-harm, leading to a recurring cycle of hospital admissions followed by

discharges without any support or stable housing. As a result of the investigation by the OPGT, an emergency court application for personal care guardianship of Karen was initiated. This was done to ensure that Karen would not be discharged from hospital without an appropriate and safe discharge plan in place. The Court agreed with the OPGT and granted guardianship of Karen's person, allowing the OPGT to prevent an unsafe discharge from hospital. Ultimately, the OPGT arranged for Karen's admission to a specialist facility where she receives 24/7 support, and her condition has improved.

Karen, grateful to OPGT staff for their support, has shared that she is happy living where she is.

The OPGT Advocating for Minors and Maximizing Investment Returns as the ASCJ



The OPGT took the initiative to advocate for two minor beneficiaries who needed funds, held in investments, by a financial institution. When the OPGT was not successful obtaining the necessary funds, the OPGT collaborated with ministry partners to seek an emergency Court Order to redeem investments for two minors. The funds then were used for care and education for the two minors.

Through prudent investment of another minor's inheritance, the OPGT was able to grow the portfolio to financially support the minor in pursuing a post-secondary education, including payments for tuition, housing, and general expenses. This allowed for the final wishes of the minor's parent to be honoured and supported the minor in pursuing a university education.

Further, the OPGT invested on behalf of a minor child the proceeds of a life insurance policy arising on the death of their parent. Through diversification and a long-term investment strategy the OPGT grew the value of the life insurance proceeds for the minor's future benefit. Upon turning 18 in 2023, the minor received a payment out of court in the amount of \$298,000.

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.

Note: Client Equity: Of all 13,516 guardianship and trusteeship clients, 94% have equity less than \$100,000.

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.

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 2023-24 fiscal year, the OPGT was managing approximately \$1.857 billion in fixed income investments for 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 \$414.7 million in these funds on behalf of clients.

External Investments

At the end of the 2023-24 fiscal year, the OPGT managed approximately \$308 million worth of external investments on behalf of 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 2023-24 fiscal year, the OPGT continued to manage real properties worth over \$269 million.

In addition to properties, the OPGT was managing \$19 million of other assets on behalf of 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. The OPGT is supported by a procured investment consultant who provides independent performance measurement and oversight of OPGT's fund managers, as well as an advisory committee on investments.

During the year, the fixed income funds remained stable and continued to pay a competitive return compared to other short-term investments. The performance of the OPGT Funds has been very strong over the fiscal year, with all funds generating a positive return.

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.

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
- ✓ June Ntazinda
- ✓ Maureen Stapleton
- ✓ Tyler Elyea
- ✓ Elke Ruback
- ✓ David Yu
- ✓ Tanya Lai
- ✓ Stephen Sisokin

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, 2024, is shown below;

Fund Name	1 Year	4 Years	10 Years
Canadian Core Fixed Income	3.09%	0.03%	-
Canadian Core Equity	17.26%	17.62%	-
Global Equity Fund	18.71%	14.76%	-
Canadian Income & Dividend Fund	4.86%	7.22%	4.46%
PH&N Laddered Buy and Hold Bond Fund	2.95%	2.39%	2.29%
PH&N Canadian MMF	5.28%	2.26%	1.68%
PH&N US MMF	5.60%	2.23%	1.64%

*returns are presented gross of fees.

The performance of the Laddered Buy and Hold Bond Fund and Canadian Money Market Fund enabled the OPGT to pay its clients an interest rate of between 3.00-3.45 %throughout the past year. This rate is 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:

- ✓ Jeanette Dias D'Souza
- ✓ Mike Anderson
- ✓ Russ Whitehead
- ✓ Olha Dobush
- ✓ Paula Reid

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

Risk	Nature of Risk	Mitigation Strategies
Financial Fraud against clients	False claim against client assets or estates through illegitimate means.	Using analytical tools to detect abnormal operational and financial transactions for in-depth audit reviews and to identify potential fraudulent activities.
Modernization System Implementation	Risk that Modernization Implementation will not be implemented as planned	Modernization, supported by a dedicated team of specialists, has been steadily moving forward in 2023/24 and is currently on target for delivery in fiscal 2025/26.
Implementation of the Office of the Auditor General of Ontario Value for Money Audit Recommendations	Addressing the remaining recommendations by the required timeframes.	The OPGT had fully implemented 24 of the 30 detailed recommendations at the conclusion of the 2023 follow-up. 5 of the remaining recommendations are continually being tracked for timely completion. One recommendation related to the implementation of a process to systematically assess the mental capacity of vulnerable individuals has been noted as not consistent with OPGT's mandate and OPGT has formally informed OAGO that it will not be implemented.
Non-compliance with OPGT policies and procedures	Risk of employees intentionally or unintentionally not following OPGT policies and procedures.	The OPGT is utilizing analytical tools to identify potential errors and omissions which will continue to expand with the implementation of Modernization.
Workload Fluctuation	Risk that the fluctuation in the number of new and existing clients at the OPGT will result in uneven workload affecting overall	The OPGT is utilizing analytical tools to monitor workload fluctuation and to optimize and adjust workload distribution.

Risk	Nature of Risk	Mitigation Strategies
	client service performance	

Key Performance Indicators (KPIs)

In our pursuit of service excellence and continuous improvement, it is important that we establish clear and measurable benchmarks to gauge our progress and success. KPIs serve as vital tools in this endeavor, providing us with quantitative insights into our performance across the various branches of our organization. The OPGT performs operational and strategic oversight through 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.

These indicators were carefully selected to align with our strategic goals, ensuring that every effort we make is directed towards achieving our mission and vision.

As we move forward with the Modernization Program implementation planned for 2025/26, a complete review of the current set of KPIs is underway to benefit from the new system's advanced data structure and access, more importantly, to enhance the current KPI reporting to cover specific program areas previously not possible under the Legacy I&IT systems.

Capabilities of the new Public Guardian and Trustee Information Management System (PGTIMS - based on Microsoft Dynamics 365) will be utilized extensively to provide real-time KPI reporting and detailed drill down capabilities, allowing more timely monitoring of performance to established targets, and to make improvements where necessary. It will be crucial that every member of our organization understands the significance of our KPIs and the data is used to drive our daily actions and achievements.

The table below is a selection of the KPIs that the OPGT is currently tracking. Throughout 2023/24, the OPGT experienced an increased number of cases/files, disruptions with our Legacy systems, and the work to configure a modern case management system contributed to some KPIs not meeting or exceeding established targets.

KPI Description	Unit of Measure	Target	2023/24 Annualized Results	Explanatory Notes
Investigation Services Timeliness	% Investigations Conducted within Target Timeline	80%	79%	We continue to achieve our target in this area despite increasing volume and complexity in client investigations.
Team Leader Client File Review Timeliness	% of Team Leader Client File Review Completed within 6 months of jurisdiction	100%	33%	A focus on clearing backlog as well as technological issues with the Legacy IT system impacted the timely completion of team leader client file reviews. The technological issues included the accurate production of file review lists and issues with the functionality of case management software. Technical issues have been resolved, and with the implementation of the new case management system, we anticipate continued compliance with the team lead client file review process.
Legal File Review Timeliness	% of Legal File Review Completed within 6 months of jurisdiction	100%	68%	Technological issues with the Legacy IT system impacted the timely completion of legal file reviews; this included the accurate production of legal file review lists and issues with the functionality of our case management software. Despite these issues, staff managed to complete many reviews within 6-months time frame. The technical issues have been resolved, and with the implementation of the new case management system, we anticipate continued compliance with the legal file review process.
Application to Replace Processing Timeliness	% of APR Completed within 6 months of opening	80%	69%	Significant progress has been made on increasing the number of applications to replace the OPGT that are completed within 6 months, including:

KPI Description	Unit of Measure	Target	2023/24 Annualized Results	Explanatory Notes
				<ul style="list-style-type: none"> ✓ Accepting applications through mail ✓ Streamlining the approval process ✓ Regular file reviews ✓ Updating templates ✓ In the last two quarters of the fiscal year, the target has been met but overall, it is below target given challenges at the start of the fiscal year.
Critical Services Delivery Timeliness	% Critical Services Initiated within 30 Days of jurisdiction	100%	89%	This KPI is a combination of nine critical services. Most of the critical services are initiated within required timelines due to automated processes. The remaining critical services were initiated just outside of the 30-day time period. We continue to monitor our performance on this KPI in order to minimize delays in critical service delivery.
4 Year Rolling Return on Investment	% of pooled investment with rate of return exceeding benchmark	100%	89%	Despite demonstrating commendable performance against industry benchmarks, the OPGT fund managers, overall, fell short of our KPI in a volatile investment environment. Changes were implemented to optimize investment performance.
Legal Matter Closure	% of Legal Matters Closed within 3.5 Years of opening	100%	76%	The results relating to this KPI remained largely unchanged from the prior fiscal year. Legal matters, depending on the nature of the file, can be prolonged due to the stage at which the PGT becomes involved, the complexity of the legal issues and quantum or assets in question, the client's amenability to the PGT's involvement, and the nature of the claims involved. Despite these complexities, the OPGT has been able to close 76% of legal files within 3.5 years of opening.

Appendix : Audited Financial Statements 2023-24

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

For the year ended March 31, 2024

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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.



Sidney Peters
Public Guardian and Trustee



Adesh Ramganes, CPA, CMA
Chief Financial Officer

June 19, 2024



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

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, 2024, 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 material accounting policy information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PGT as at March 31, 2024 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
June 19, 2024

Jeremy Blair, CPA, CA, LPA
Assistant Auditor General

Statement of Financial Position

As at March 31

in thousands of dollars

	Note	2024	2023
Estates and Trusts			
Assets			
Cash and cash equivalents	4.1	\$ 39,502	\$ 126,792
Accounts receivable	6	8,485	6,282
Investments at fair value through profit or loss:			
Bonds and other debt securities - client owned	4.1	50,147	57,663
Canadian Core Fixed Income Fund	4.2	135,426	98,498
Canadian Core Equity Fund	4.3	58,661	53,015
Global Equity Fund	4.4	74,815	49,552
Canadian Income and Dividend Fund	4.5	145,864	133,059
Equity securities - client owned	4.6	218,597	108,136
Investments in Fixed income funds	4.7	1,857,130	1,827,573
Real estate		269,662	285,420
Other assets	7	19,088	18,256
Total assets		2,877,377	2,764,246
Liabilities			
Accounts payable and accrued liabilities	8	119,564	107,983
Net assets attributable to beneficiaries of Estates and Trusts		2,757,813	2,656,263
Total liabilities and net assets attributable to beneficiaries of Estates and Trusts		\$ 2,877,377	\$ 2,764,246

Administration Fund

Assets

Cash and cash equivalents		\$ 474	\$ 340
Accounts receivable	6	4,767	4,053
Investments at fair value through profit or loss:			
Canadian Core Fixed Income Fund	4.2	36,132	35,060
Canadian Core Equity Fund	4.3	56,466	48,141
Global Equity Fund	4.4	39,482	33,067
Canadian Income and Dividend Fund	4.5	35,004	33,372
Investments in Fixed income funds	4.7	18,112	18,548
Total assets		190,437	172,581


Liabilities

Accounts payable and accrued liabilities	8	9,553	8,240
Total liabilities		9,553	8,240

Equity

Funds and reserves		17,500	17,500
Unappropriated fund		163,384	146,841
Total equity		180,884	164,341
Total liabilities and equity		\$ 190,437	\$ 172,581

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

Public Guardian and Trustee

Chief Financial Officer

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

Statement of income and comprehensive income - Estates and Trusts

For the year ended March 31

in thousands of dollars

	Note	2024	2023
<i>Estates and Trusts</i>			
Income			
Social benefits		\$ 135,264	\$ 125,370
Pensions		135,843	121,891
Other income		54,202	54,631
		325,309	301,892
Expenses			
Accommodation		170,629	157,259
Allowances		53,283	51,028
Fees charged by the Public Guardian and Trustee	9	44,678	38,508
Real estate		19,910	16,728
Taxes		22,952	17,004
Living expenses		11,331	10,811
Funeral expenses		6,801	6,794
Other expenses		7,955	7,190
Utilities		6,910	6,721
Medical expenses		9,265	7,223
Insurance		2,841	2,773
Total expenses		356,555	322,039
Net investment income			
Interest income from fixed income funds		59,190	43,748
Other interest and dividend income	10	17,257	14,514
Change in fair value on investments at fair value through profit or loss	11	36,074	(693)
		112,521	57,569
Change in net assets attributable to beneficiaries before undernoted:		\$ 81,275	\$ 37,422
- Client Capital Contributions during the year		676,123	764,120
- Client Capital Distributions during the year		(629,735)	(540,883)
- Funds escheated to the Crown	15	(26,113)	(7,077)
Change in net assets attributable to beneficiaries		\$ 101,550	\$ 253,582

Statement of income and comprehensive income - Administration Fund

For the year ended March 31

in thousands of dollars

	Note	2024	2023
Administration Fund			
Revenue			
Fees charged on estates and trusts	9	\$ 44,678	\$ 38,508
Grants received from the Ministry of the Attorney General	14	22,845	20,606
		67,523	59,114
Expenses			
Salaries, wages and benefits	12	44,952	42,872
General administration	13	18,794	15,839
Fees incurred		1,961	2,056
Transportation and communication expenses		721	739
Supplies and equipment expenses		241	249
Claims		124	49
Total expenses		66,793	61,804
Net investment income			
Interest income from fixed income funds		1,275	1,263
Other interest and dividend income	10	4,764	4,464
Change in fair value on investments at fair value through profit or loss	11	12,679	(4,595)
		18,718	1,132
Investment expenses		2,905	3,267
Net investment income (loss)		15,813	(2,135)
Total net income (loss) and comprehensive income (loss)		\$ 16,543	\$ (4,825)

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, 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
Change in net assets attributable to beneficiaries before undernoted:	51,939	23,350	15,724	(12,170)	2,233	95	(33)	137	81,275
Client Capital Contributions during the year	324,731	83,675	176,074	90,038	1,524	70	11	-	676,123
Client Capital Distributions during the year	(276,901)	(73,414)	(213,095)	(64,796)	(1,245)	-	(284)	-	(629,735)
Funds escheated to the Crown (note 14)	-	-	-	(1,334)	-	(24,779)	-	-	(26,113)
Change in net assets attributable to beneficiaries	99,769	33,611	(21,297)	11,738	2,512	(24,614)	(306)	137	101,550
Balance at March 31, 2024	\$ 1,276,320	525,793	602,633	310,668	34,361	3,485	490	4,063	\$ 2,757,813

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, 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 released 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
Total income for the year	-	-	-	-	-	16,543	16,543
Transfers to/(from) reserves							
Transfers made during the year	(26)	113	-	37	124	(124)	-
Reserves transactions during the year	26	(113)	-	(37)	(124)	124	-
Total increase in equity	-	-	-	-	-	16,543	16,543
Balance at March 31, 2024	\$ 14,300	3,000	100	100	17,500	163,384	\$ 180,884

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)	2024	2023	2024	2023
Cash flows from operating activities				
Total Comprehensive Income (Loss)	-	-	16,543	(4,825)
Estates and Trusts				
Change in net assets attributable to beneficiaries before undernoted:	\$ 81,275	\$ 37,422	\$ -	\$ -
Client Capital Contributions during the year	676,123	764,120	-	-
Client Capital Distributions during the year	(629,735)	(540,883)	-	-
Funds escheated to the Crown	(26,113)	(7,077)	-	-
Change in net assets attributable to beneficiaries	101,550	253,582	-	-
Adjustments for:				
Non-cash Client Capital Contributions	(165,132)	(215,284)	-	-
Non-cash Client Capital Distributions	61,805	37,768	-	-
Net unrealized (gain)/loss on investments and foreign currency at fair value	(30,043)	9,912	(10,439)	8,400
Investment income reinvested	(13,035)	(12,811)	(6,992)	(8,777)
Changes in working capital items				
Accounts receivable	(2,203)	(965)	(714)	(949)
Accounts payable and accrued liabilities	11,581	2,492	1,313	1,652
Net cash (used in) from operating activities	(35,477)	74,694	(289)	(4,499)
Cash flows from investing activities				
Acquisition of investments	(2,171,225)	(2,359,589)	423	2,908
Proceeds from sale of investments	2,036,156	2,211,369	-	-
Proceeds from sale of real estate	84,088	76,091	-	-
Net increase in other assets	(832)	(736)	-	-
Net cash (used in) from investing activities	(51,813)	(72,865)	423	2,908
Increase (decrease) in cash and cash equivalents	(87,290)	1,829	134	(1,591)
Cash and cash equivalent, beginning of the year	126,792	124,963	340	1,931
Cash and cash equivalent, end of the year	\$ 39,502	\$ 126,792	\$ 474	\$ 340

Notes to financial statements

March 31, 2024 and March 31, 2023

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.

The monetary amounts in the notes are in thousands of

dollars. 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 *Substitute Decisions Act*, the *Public Guardian and Trustee Act*, the *Crown Administration of Estates Act*, the *Estates Act* and various other statutes.
- b) Administration Fund: 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 *The Public Guardian and Trustee Act*. Operating grants are received as required from the Ministry of the Attorney General to fund the operations of OPGT.

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 investment income of these investment activities, after interest is distributed on the funds of Estates and Trusts in accordance with the interest rates prescribed by *The Public Guardian and Trustee Act*.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

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 June 19, 2024.

(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, 2024 and March 31, 2023 (in thousands of dollars)

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 carrying amount of real estate assets.

(e) New accounting standards and amendments to existing standards

The following amendments to existing standards are effective April 1, 2023.

Amendments to IAS1 and IFRS Practice Statement 2

The amendments provide guidance and examples to assist entities applying materiality judgments to accounting policy disclosures. The amendments to IAS 1 aid to help entities improve the usefulness of its accounting policy disclosures by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The OPGT adopted the amendments as of April 1, 2023 and have reflected the material accounting policies in the disclosures.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

3. Material accounting policies

The material 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 fixed income funds invested, other interest and dividend income and change in fair value on investments at fair value through profit and loss comprising 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, 2024 and March 31, 2023 (in thousands of

3. Material 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.

Initial recognition

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 and accounts receivable): 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 change in fair value on investments at fair value through profit and loss. 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, 2024 and March 31, 2023 (in thousands of

3. Material accounting policies (continued)

(c) Financial assets and liabilities (continued)

(i) Financial assets (continued)

Debt instruments (continued)

- FVOCI: 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 in change in fair value on investments at fair value through profit and loss in the period in which it arises.

All of OPGT's accounts receivable and debt instruments 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 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 Canadian Core Fixed Income Fund, the Canadian Core Equity Fund, the Global Equity Fund, the Canadian Income and Dividend Fund and client-owned equity securities.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

3. Material accounting policies (continued)

(c) Financial assets and liabilities (continued)

(i) Financial assets (continued)

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 and subsequently at amortized cost.

(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, 2024 and March 31, 2023 (in thousands of

3. Material 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. Real estate is recognized when the OPGT obtains authority for the client and ownership interest in the asset is confirmed. Other assets comprise jewellery, art, collectibles, nominal assets, vehicles, cash value of insurance policies, prepaid funeral costs and similar items.

Real estate and other assets, except for life insurance policies, are measured 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 and is included in accounts payable and accrued liabilities of the Administration Fund.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

3. Material 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. Pension income is primarily payments from the Government Canada including old age security and Canada Pension Plan, and other pension plans. Social benefits primarily consists of the Family Benefit Allowance and Guaranteed Income Supplement. Other income includes settlements and income tax refunds and other government payments.

The Administration Fund charges fees to each estate and trust account for services provided by the OPGT as prescribed by the Fee Schedule created pursuant to The Public Guardian and Trustee Act. The fees, comprising management, transaction and service fees, are recognized as the related services are performed. Transactions fees are calculated daily and accrued and paid on the last business day of the month. The management fee is calculated on the last business day of the month based on the clients' equity. Fees are deferred for clients receiving ODSP benefit payments and are excluded from revenue. Recoveries of deferred fees are recognized in the period they are paid.

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 partially 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.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

3. Material accounting policies (continued)**(h) Capital contributions and distributions**

Contributions and Distributions represent changes directly to net assets. Assets and liabilities of new clients are recorded as increases to net assets at the time the OPGT gains authority and are initially recognized at fair value. Proceeds, including gains and losses, from the sale of real estate and other assets are included in contributions. Assets and liabilities released to clients, beneficiaries and heirs are recorded as a decrease to net assets at fair value of those assets and liabilities at the time of release except real estate and other assets which are at cost.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

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

	2024	2023
Cash and cash equivalents		
Cash	\$ 23,848	\$ 35,535
Cash equivalents	15,654	91,257
	39,502	126,792
Client owned – Bonds and other debt securities		
Bonds – Federal Government	238	134
Bonds – Provincial Governments	410	448
Bonds – Corporate	11,560	12,934
Other Debt Securities – Financial institutions	37,939	44,147
	50,147	57,663
	\$ 89,649	\$ 184,455

Cash equivalents and other debt securities have an annual interest rate of between 0.00–8.00% (2023: 0.00– 10.50%) and, at the reporting date, have remaining maturity periods ranging between 0–32 years (2023: 0–33 years).

Interest rates on bonds and other debt securities with maturities greater than one year are as follows:

	2024	2023
Bonds – Federal Government		
1–3 years	3.60%	0.10–3.60%
3 years +	–	–
Bonds – Provincial Governments		
1–3 years	0.00%	–
3 years +	0.00%	–
Bonds – Corporate		
1–3 years	0.20–4.50%	1.40–4.60%
3 years +	3.80–5.00%	0.20–4.50%
Financial institutions		
1–3 years	0.00–5.40%	0.00–5.10%
3 years +	0.00–6.30%	0.20–4.80%

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

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, 2024 and March 31, 2023, were as follows:

	Jun	Jun	Aug	Oct	Dec	Jan	Mar
Effective From:	1st, 2021	1st, 2022	1st, 2022	1st, 2022	1st, 2022	1st, 2023	1st, 2023
Interest rate - CAD	1.90%	2.00%	2.25%	2.50%	3.00%	3.40%	3.25%
	Jun 1st, 2023	Oct 1st, 2023	Feb 1st, 2024				
	3.00%	3.35%	3.45%				

The approved rates and effective dates for United States dollars during the year ending March 31, 2024 and March 31, 2023, were as follows:

	Mar 1st, 2021	Jun 1st, 2022	Aug 1st, 2022	Oct 1st, 2022	Dec 1st, 2022	Mar 1st, 2023
Interest rate - USD	0.17%	0.50%	1.25%	1.75%	3.50%	4.00%
	Jun 1st, 2023	Oct 1st, 2023				
	5.00%	6.00%				

4.2 Canadian Core Fixed Income Fund

	2024	2023
Cash	\$ -	\$ 897
Short-term notes	390	4,506
Bonds	173,320	128,592
Net other assets/(liabilities)	(2,152)	(437)
	\$ 171,558	\$ 317,333

The short-term notes and bonds yield, on a fair value basis, annual interest of between 0.00–8.70% (2023: 0.00–8.70%) and, at the reporting date, have remaining maturity periods ranging between 1 day to 59 years (2023: 3 days to 60 years).

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

4. Investments in financial assets (continued)**4.2 Canadian Core Fixed Income Fund (continued)**

The financial assets held in the Canadian Core Fixed Income Fund as at March 31 are held by:

	2024	2023
Estates and Trusts	\$ 135,426	\$ 98,498
Administration Fund	36,132	35,060
	<u>\$ 171,558</u>	<u>\$ 133,558</u>

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

4.3 Canadian Core Equity Fund

	2024	2023
Cash	\$ 283	\$ 444
Short-term notes	320	160
Canadian equity securities	114,809	100,857
Net other assets/(liabilities)	(285)	(305)
	<u>\$ 115,127</u>	<u>\$ 101,156</u>

The average annual yield on investments in Canadian equity securities was 2.42% (2023:

2.51%). The financial assets held in the Canadian Core Equity Fund as at March 31 are held

by:

	2024	2023
Estates and Trusts	\$ 58,661	\$ 53,015
Administration Fund	56,466	48,141
	<u>\$ 115,127</u>	<u>\$ 101,156</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, 2024 and March 31, 2023 (in thousands of

4.4 Global Equity Fund

	2024	2023
Cash	\$ 4,381	\$ 1,383
Foreign equity securities	110,082	81,391
Net other assets/(liabilities)	(166)	(155)
	\$ 114,297	\$ 82,619

The average annual yield on investments in foreign equity securities was 1.82% (2023: 2.05%).

The financial assets held in the Global Equity Fund as at March 31 are held by:

	2024	2023
Estates and Trusts	\$ 74,815	\$ 49,552
Administration Fund	39,482	33,067
	\$ 114,297	\$ 82,619

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

4.5 Canadian Income and Dividend Fund

	2024	2023
Cash	\$ 622	\$ 487
Short-term notes	5,777	9,500
Bonds	80,154	81,487
Canadian equity securities	99,043	75,320
Net other assets/(liabilities)	(4,728)	(363)
	\$ 180,868	\$ 166,431

The short-term notes and bonds yield, on a fair value basis, annual interest of between 0.00–8.50% (2023: 0.00– 8.50%) and, at the reporting date, have remaining maturity periods ranging between 53 days to 58 years (2023: 41 days to 60 years). The average annual yield on investments in Canadian equity securities was 5.40% (2023: 4.93%).

The financial assets held in the Canadian Income and Dividend Fund as at March 31 are held by:

	2024	2023
Estates and Trusts	\$ 145,864	\$ 133,059
Administration Fund	35,004	33,372
	\$ 180,868	\$ 166,431

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

4. Investments in financial assets (continued)**4.5 Canadian Income and Dividend Fund (continued)**

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

4.6 Equity securities – client owned

	2024	2023
Canadian listed securities	\$ 110,893	\$ 84,437
United States listed securities	3,354	2,764
Other listed securities	104,242	20,729
Unlisted securities	108	206
	\$ 218,597	\$ 108,136

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.

4.7 Fixed income funds

	2024	2023
Bonds – Federal Government	\$ 151,317	\$ 176,623
Bonds – Provincial and Municipal Governments	314,718	277,060
Bonds – Corporate	1,397,352	1,392,293
Cash and Accrued Interest	11,855	145
	\$ 1,875,242	\$ 1,846,121

The bonds yield (at cost) an annual interest of between 1.13-6.50% (2023 1.13-7.50%) and, at the reporting date, have remaining maturity periods ranging between 1 day to 5 years (2023: 3 days to 5 years).

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

	2024	2023
Estates and Trusts	\$ 1,857,130	\$ 1,827,573
Administration Fund	18,112	18,548
	\$ 1,875,242	\$ 1,846,121

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

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, 2024 and March 31, 2023, 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

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of
recorded are made at that time.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

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:

	Estates and Trusts 2024	Estates and Trusts 2023	Administration Fund 2024	Administration Fund 2023
Cash and cash equivalents	\$ 39,502	\$ 126,792	\$ 474	\$ 340
Accounts receivable	8,485	6,282	4,767	4,053
Investments at fair value through profit or loss:				
Bonds and other debt securities– client owned	50,147	57,663	-	-
Canadian Core Fixed Income Fund ¹	137,125	98,821	36,585	35,174
Canadian Core Equity Fund ¹	307	445	296	159
Global Equity Fund ¹	2,868	1,020	1,513	363
Canadian Income and Dividend Fund ¹	69,802	73,132	16,751	18,342
Fixed income funds	1,857,130	1,827,573	18,112	18,548
	\$2,165,366	\$2,191,728	\$ 78,498	\$ 76,979

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, 4.3, 4.4 and 4.5.

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

	2024	2023
AAA/Aaa	14.24%	18.00%
AA/Aa	77.82%	74.64%
BBB/Baa	7.94%	7.36%

Notes to financial statements (continued)
March 31, 2024 and March 31, 2023 (in thousands of dollars)

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	2024	2023
Government and public sector	55.04%	56.30%
Banks and financial services	29.00%	28.95%
Other corporate	15.96%	14.75%

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.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

5. Financial risk management (continued)**5.2 Liquidity risk (continued)***Maturity analysis for financial instruments*

As at March 31, 2024 and 2023, the financial assets and liabilities of Estates and Trusts and the Administration Fund had the following remaining contractual maturity profile:

Estates and trusts**2024**

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	\$ 39,502	\$ 39,502	\$ -	\$ -
Accounts receivable	8,485	5,985	-	2,500
Investments at fair value through profit or loss:				
Bonds and other debt securities – client owned	50,147	30,219	11,204	8,724
Canadian Core Fixed Income Fund	135,426	609	1,230	133,587
Canadian Core Equity Fund	58,661	58,661	-	-
Global Equity Fund	74,815	74,815	-	-
Canadian Income and Dividend Fund	145,864	78,767	13,279	53,818
Equity securities – client owned	218,597	218,597	-	-
Fixed income funds	1,857,130	206,603	296,564	1,353,963
	2,588,627	713,758	322,277	1,552,592
Financial liabilities				
Accounts payable and accrued liabilities	119,564	100,251	-	19,313
	\$ 119,564	\$ 100,251	\$ -	\$ 19,313

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

5. Financial risk management (continued)**5.2 Liquidity risk (continued)**

2023

	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
Canadian Core Fixed Income Fund	98,498	3,925	757	93,816
Canadian Core Equity Fund	53,015	53,015	-	-
Global Equity Fund	49,552	49,552	-	-
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	646,096	666,433	1,148,041
Financial liabilities				
Accounts payable and accrued liabilities	107,983	91,161	-	16,822
	\$ 107,983	\$ 91,161	\$ -	\$ 16,822

Administration**Fund 2024**

	Carrying Amount	Less than 3 months	3 to 12 months	>1 year
Financial assets				
Cash and cash equivalents	\$ 474	\$ 474	\$ -	\$ -
Accounts receivable	4,767	4,767	-	-
Investments at fair value through profit or loss:				
Canadian Core Fixed Income Fund	36,132	162	328	35,642
Canadian Core Equity Fund	56,466	56,466	-	-
Global Equity Fund	39,482	39,482	-	-
Canadian Income and Dividend Fund	35,004	18,902	3,187	12,915
Fixed income funds	18,112	2,015	2,892	13,205
	190,437	122,268	6,407	61,762
Financial liabilities				
Accounts payable and accrued liabilities	9,553	9,553	-	-
	\$ 9,553	\$ 9,553	\$ -	\$ -

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of

5. Financial risk management (continued)**5.2 Liquidity risk (continued)**

2023

	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:				
Canadian Core Fixed Income Fund	35,060	1,397	269	33,394
Canadian Core Equity Fund	48,141	48,141	-	-
Global Equity Fund	33,067	33,067	-	-
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	106,180	7,298	59,103
Financial liabilities				
Accounts payable and accrued liabilities	8,240	8,240	-	-
	\$ 8,240	\$ 8,240	\$ -	\$ -

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.

Geopolitical tension was elevated in 2023 and the early part of 2024. The conflicts in Europe and the Middle East and rising tensions between the U.S and China continued to impact the global economy and markets. 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 Global Equity 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, 2024 and 2023.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

5. Financial risk management (continued)**5.3 Market risk (continued)***5.3.1 Currency risk (continued)*

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

	2024	2023
United States Dollars	\$ 79,542	\$ 56,617
Euros	9,651	7,139
Other foreign currencies	22,234	18,523
	\$ 111,427	\$ 82,279

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% (2023: 5%) at March 31. The analysis assumes that all other variables, in particular interest rates, remain constant.

	2024	2023
United States Dollars	\$ 3,977	\$ 2,831
Euros	483	357
Other foreign currencies	1,112	926
	\$ 5,572	\$ 4,114

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.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

5. Financial risk management (continued)

5.3 Market risk (continued)

5.3.2 Interest rate risk (continued)

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.

	2024	2023
Impact on client (Estates and Trusts) and Administration fund assets	\$ (6,859)	\$ (5,474)

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, 2024 and March 31, 2023 (in thousands of dollars)

5. Financial risk management (continued)**5.3 Market risk (continued)***5.3.3 Equity price risk (continued)*

Investments are made in funds, namely the Canadian Core Fixed Income Fund, the Canadian Core Equity Fund, the Global Equity Fund and the Canadian Income and Dividend Fund that have the following benchmarks for concentration of asset portfolios:

Canadian Core Fixed Income Fund:

- Canadian bonds - 100% of fund assets

Canadian Core Equity Fund:

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

Global Equity Fund:

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

Canadian Income and Dividend Fund:

- Equity investments listed on Canadian stock exchanges - 50% of fund assets
- Canadian bonds - 50% 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:

	2024	2023
Banks and financial services	61%	52%
Industrial and manufacturing	23%	28%
Information technology	8%	10%
Retail	6%	7%
Other	2%	3%
	100%	100%

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

5. Financial risk management (continued)

5.3 Market risk (continued)

5.3.3 Equity price risk (continued)

The table below sets out the impact on the net financial assets and liabilities from a reasonably possible decrease of 15% (2023: 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.

2024	2023
\$ (81,380)	\$ (54,856)

A strengthening in the individual equity market prices of 15% (2023: 15%) as at March 31 would have resulted in a proportionate but opposite effect to the amounts shown above.

5.4 Fair value disclosures

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

5.4.1 Fair values versus carrying amounts

The carrying amounts approximate fair value for all financial assets and liabilities, except for the fixed income funds, which are measured at amortized cost, and for real estate, whose fair values for the Estates and Trusts administered by OPGT are \$1,825,109 (2023: \$1,772,580) and \$309,378 (2023: \$336,881) respectively. As a result, the fair value of net assets attributable to beneficiaries of Estates and Trust clients is \$2,765,508 (2023:

\$2,652,731). Fair value of the fixed income funds for the Administration fund is \$17,799 (2023: 17,989). As a result, the total assets for the Administration fund is \$190,124 (2023: \$172,022). 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, 2024 and March 31, 2023 is determined using the direct comparison method. Appraisals are carried out by a qualified independent appraiser contracted by the PGT.

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, 2024 and March 31, 2023 (in thousands of dollars)

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, 2024 and March 31, 2023.

Estates and Trusts

<i>2024</i>	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss:				
Bonds and other debt securities – client owned	\$ -	\$ 50,147	\$ -	\$ 50,147
Canadian Core Fixed Income Fund – bonds	-	135,426	-	135,426
Canadian Core Equity Fund – equity	58,661	-	-	58,661
Global Equity Fund – equity	74,815	-	-	74,815
Canadian Income and Dividend Fund – equity	79,875	-	-	79,875
Canadian Income and Dividend Fund – bonds	-	65,989	-	65,989
Equity securities – client owned	218,489	-	108	218,597
	\$ 431,840	\$ 251,562	\$ 108	\$ 683,510
<i>2023</i>	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss:				
Bonds and other debt securities – client owned	\$ -	\$ 57,663	\$ -	\$ 57,663
Canadian Core Fixed Income Fund – bonds	-	98,498	-	98,498
Canadian Core Equity Fund – equity	53,015	-	-	53,015
Global Equity Fund – equity	49,552	-	-	49,552
Canadian Income and Dividend Fund – equity	60,217	-	-	60,217
Canadian Income and Dividend Fund – bonds	-	72,842	-	72,842
Equity securities – client owned	107,930	-	206	108,136
	\$ 270,714	\$ 229,003	\$ 206	\$ 499,923

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

5. Financial risk management (continued)**5.4 Fair value disclosures (continued)***5.4.2 Fair value hierarchy (continued)***Administration Fund**

<i>2024</i>	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss:				
Canadian Core Fixed Income Fund – bonds	\$ -	\$ 36,132	\$ -	\$ 36,132
Canadian Core Equity Fund – equity	56,466	-	-	56,466
Global Equity Fund – equity	39,482	-	-	39,482
Canadian Income and Dividend Fund – equity	19,168	-	-	19,168
Canadian Income and Dividend Fund – bonds	-	15,836	-	15,836
	\$ 115,116	\$ 51,968	\$ -	\$ 167,084
<i>2023</i>	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss:				
Canadian Core Fixed Income Fund – bonds	\$ -	\$ 35,060	\$ -	\$ 35,060
Canadian Core Equity Fund – equity	48,141	-	-	48,141
Global Equity Fund – equity	33,067	-	-	33,067
Canadian Income and Dividend Fund – equity	15,103	-	-	15,103
Canadian Income and Dividend Fund – bonds	-	18,269	-	18,269
	\$ 96,311	\$ 53,329	\$ -	\$ 149,640

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

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 2024 and 2023 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 Canadian Core Fixed Income Fund, the Canadian Core Equity Fund, the Global Equity Fund and the Canadian Income and Dividend Fund. Investment income earned is, in part, used to replenish the various specific purpose funds for expenses incurred.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

6. Accounts receivable

	Estates and Trust s 2024	Estates and Trust s 2023	Administration Fund 2024	Administration Fund 2023
Accrued revenue due from Estates and Trusts	\$ -	\$ -	\$ 4,604	\$ 3,912
Balances due from the Federal and Provincial Government, its Agencies and Crown Corporations	-	-	44	41
Balances due from the Administration Fund	5,308	4,784	-	-
Other receivables	3,177	1,498	119	100
	\$ 8,485	\$ 6,282	\$ 4,767	\$ 4,053

7. Other assets

	Estates and Trust s 2024	Estates and Trust s 2023
Life Insurance	\$ 8,327	\$ 8,345
Prepaid Funerals, Cemetery plots and Burial Instruments	4,946	4,898
Vehicles	2,587	2,165
Jewellery	1,700	1,436
Furniture and Medical Aid Equipment	803	801
Collectibles	615	546
Other	25	26
Art	85	39
	\$ 19,088	\$ 18,256

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

8. Accounts payable and accrued liabilities

	Estates and Trusts 2024	Estates and Trusts 2023	Administration Fund 2024	Administration Fund 2023
Accrued expenses	\$ 4,381	\$ 3,809	\$ 4,245	\$ 3,456
Balances due to the Federal and Provincial Government, its Agencies and Crown Corporations	43,757	36,871	-	-
Balances due to Estates and Trusts	-	-	5,308	4,784
Other liabilities of Estates and Trust clients	71,426	67,303	-	-
	\$ 119,564	\$ 107,983	\$ 9,553	\$ 8,240

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 2024	Administration Fund 2023
Client trusts	\$ 32,918	\$ 27,090
Deceased Estates	4,395	3,812
Minors	3,677	3,267
Litigants	3,677	3,614
Cemetery trusts	0	192
Forfeited corporate assets/corporate trusts	11	533
	\$ 44,678	\$ 38,508

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

10. Other dividend and interest income

	Estate s and Trusts 2024	Estates and Trust s 2023	Administratio n Fund 2024	Administration Fund 2023
Bonds and other debt securities – client owned	\$ 4,618	\$ 4,934	\$ -	\$ -
Canadian Core Fixed Income Fund	4,142	2,374	1,315	1,175
Canadian Core Equity Fund	1,347	1,398	1,394	1,380
Global Equity Fund	1,194	829	709	685
Canadian Income and Dividend Fund	5,466	4,534	1,346	1,224
Other	490	445	-	-
	\$ 17,257	\$ 14,514	\$ 4,764	\$ 4,464

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

	Estate s and Trusts 2024	Estates and Trust s 2023	Administratio n Fund 2024	Administration Fund 2023
Bonds and other debt securities – client owned	\$ 772	\$ (2,135)	\$ -	\$ -
Canadian Core Fixed Income Fund	(411)	(2,040)	(242)	(1,594)
Canadian Core Equity Fund	7,222	(1,053)	6,930	(1,375)
Global Equity Fund	9,848	3,860	5,706	1,034
Canadian Income and Dividend Fund	1,176	(9,100)	285	(2,660)
Equity securities – client owned	17,467	9,775	-	-

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

12. Salaries, wages and benefits

	Administration Fund 2024	Administration Fund 2023
Salaries and wages	\$ 38,970	\$ 37,075
Compulsory employer contributions	2,887	2,765
Other benefits	2,551	2,436
Termination benefits	544	596
	\$ 44,952	\$ 42,872

13. General Administration

	Administration Fund 2024	Administration Fund 2023
Systems development and data processing	\$ 17,111	\$ 14,370
Miscellaneous expenses	768	751
Leases and rentals	650	470
Security	183	165
Training and education	82	83
	\$ 18,794	\$ 15,839

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

14. 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:

- a) Investments in certain financial instruments that are issued by these related parties;
- b) Expenditure on certain services including information technology and telecommunication costs provided by these related parties; and
- c) The Province of Ontario provides funding for the operations of OPGT including expenditures relating to salaries, wages and benefits, transportation and communication costs, supplies, equipment and general administrative costs. In addition, OPGT remits surplus income to the Province of Ontario on a quarterly basis. During the year the Province provided funding amounting to \$64,708 (2023: \$59,699) and recovered \$41,863 (2023: \$39,093), for a net grant by the Province of \$22,845 (2023: \$20,606).

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 in a calendar year.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

14. Related party transactions (continued)

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.

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

	Administration Fund 2024	Administration Fund 2023
Salaries and Wages	\$ 948	\$ 791
Employee benefits	\$ 31	\$ 35

15. 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 \$1,334 (2023: \$2,290) 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, \$24,779 (2023: \$4,787) was transferred to the CRF.

Notes to financial statements (continued)

March 31, 2024 and March 31, 2023 (in thousands of dollars)

16. 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.

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.

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.

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.

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.

17. Contingencies and commitments

The Public Guardian and Trustee is involved in various legal actions arising in the normal course of business operations. We review the status of all proceedings on an ongoing basis however, it is difficult to determine the outcome and or to reliably estimate the amount of any loss at this time. Liabilities for any settlements will be recognized if and when 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. Claims for which we have made provisions for are not material.