

# ANNUAL REPORT

# 1998 • 1999

**35**  
Years of  
Service

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Years of  
Service



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PUBLIC TRUSTEE OF  
BRITISH COLUMBIA

# Message from the Public Trustee

In delivering this report I feel that it is significant to note that 1998/99 not only marks the 35<sup>th</sup> anniversary of the Public Trustee's office, but also marks the last report from the Public Trustee of BC before we convert to become the Public Guardian and Trustee. Both of these events have created the impetus to reflect on where we have come from, as well as look forward to where we are going. I hope you enjoy some of the historical facts we have included throughout this report and that you will join us as we take a glimpse into our future.

While the duties and services provided by the Public Trustee's office have expanded and adapted with the needs of our growing and changing communities over the past 35 years, the intent behind the office has not changed.

The primary function of the Public Trustee is to safeguard the financial, legal and related rights of British Columbians when there is no one else willing or able to assist. The work we accomplish with and



Jay Chalke

for our clients involves and impacts many others, and although our focus is on our existing clients, our office remains available to all British Columbians who may need to call upon us for assistance. As new challenges arise, it is our responsibility to support people and provide assistance. We believe in the strengths of the people we serve.

This has been a year of change and growth for the Public Trustee's office, and I am pleased with the progress that we have made. As 1998/99 drew to a close, I was appointed Public Trustee and thus this is my first opportunity to report on our work. I trust that you will find this report on our year as fascinating as it was to experience it.

The nature of the services that the Public Trustee's office provides makes us an organization of last resort. We provide services to people who have no one else who is able to assist. This year, continuing with an initiative started in 1997, we were able to determine that nearly 1,800 adult British Columbians who are currently living in the community with the support of families, friends or caregivers, no longer needed our assistance. We are very pleased that we were able to assist them in regaining the right to manage their financial affairs.

Our ability as an organization to creatively respond to situations has

helped us through many challenges. Last year we began exploring various possibilities for replacing our ageing client computer system, known to us as COMET. In our next annual report I hope to provide a further progress report on how we can improve client services through the use of more modern technological support.

Once again this year, the issue of workload management continues to be a challenge for our staff. Staff are required to bring many skills to their positions to meet their workload responsibilities and have to be creative in their organization and time management. New initiatives have been implemented by staff so that work can be managed more effectively and efficiently and more resources have been reallocated from managerial to front-line positions. The accomplishments of our office are a tribute to the efforts of our staff. They are dedicated professionals and it is my pleasure to work with them.

In preparing for the proclamation of the new Adult Guardianship Legislation, we have continued to work closely with communities throughout the province in support of the development of Community Response Networks. These Networks, made up of individuals, family members, service providers,

## SERVICE PHILOSOPHY

**CLIENT FOCUS:** The interests of our clients are paramount and the focus of our work. We are accountable to our clients.

**RESPECT FOR THE INDIVIDUAL:** We respect the rights and honour the dignity of each person.

**QUALITY SERVICE:** We strive for excellence. We are knowledgeable in our work and believe the service we provide should be accurate, courteous, helpful and timely.

**ROLE OF THE FAMILY AND FRIENDS:** We value the contribution of family and friends to the well being of the client.

**RESPECTFUL COMMUNICATION:** We foster open communication. We listen to clients and keep them informed.

**PARTNERSHIPS:** We seek partnerships because we believe the exchange of ideas leads to creative and innovative solutions.

**SELF-DETERMINATION:** Individuals have the right to self-determination and the right to protection. Our role is to seek a balance when these are in conflict.

**EMPATHY:** We treat clients with kindness and understanding, appreciating the circumstances in which they find themselves.

**HONESTY:** We act with integrity, honesty and fairness.

**CONFIDENTIALITY:** We respect each person's right to confidentiality.

## MISSION

The Public Trustee is appointed to uphold the legal rights and safeguard the financial interests of children and adults and to administer the estates of deceased and missing persons.

**35**  
Years of  
Service

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advocates and caregivers, will provide support and assistance within communities to ensure a successful transition with the implementation of the principles and provisions of the Adult Guardianship Legislation.

With the implementation of this legislation in February, 2000, the office of the Public Trustee of BC will be re-named, becoming the Public Guardian and Trustee of BC. Along with the name change, the legislation will also bring new responsibilities and challenges to our role. The office of the Public Guardian and Trustee will be required to prepare an annual service delivery plan and to establish new performance measures. An advisory board will also be put in place to provide support and guidance to our office.

In looking back over the past year, I am confident that we are ready to meet the challenges and changes of the future with enthusiasm and understanding.

Original signed by Jay Chalke

Jay Chalke

## Report from the Deputy Public Trustee

The Public Trustee employs a legal services team of 12 in-house lawyers who work throughout the organization to provide legal advice and representation to clients, staff and to the Public Trustee. The Deputy Public Trustee, as Director of Legal Services, oversees the provision of legal services by the in-house lawyers.

Throughout this year we continued to follow the Hepatitis C class action lawsuit on behalf of all British Columbia claimants who are under legal disability. The Public Trustee reviewed the terms of the proposed settlement plan and provided recommendations to the court on the merits of the settlement with a view to protecting and enhancing the claims of children and adults who require assistance in the management of their affairs. We continue to work with counsel and others with respect to implementation of the settlement plan.

Last year we reported that we asserted claims on behalf of our clients who were wrongfully sterilized in Alberta between 1928 and 1971 under that province's eugenics legislation. I am pleased to report that this year we were successful in settling several claims on behalf of our clients and are continuing to pursue those that remain outstanding.

This year the Public Trustee's jurisdiction to approve settlements of claims brought by minors increased from a monetary limit of \$10,000 to \$50,000, exclusive of costs and disbursements. This expanded jurisdiction expedites the settlement review process for the Public Trustee and as a result, some children will receive their settlements sooner and at less cost to the litigants and to the courts.

Throughout the 1998/99 year, Public Trustee lawyers presented legal papers at various seminars and conferences, providing information to the general public and members of the bar on the role of the Public Trustee and the law which effects the interests of our clients. Included in these were a number of legal education programs focused on the upcoming Adult Guardianship Legislation.

Additionally, the 2<sup>nd</sup> edition of the Public Trustee Handbook was completed by our legal department this year and was published by the Continuing Legal Education Society in Spring of 1999. The Handbook incorporates changes to case law, statutes and practice since the 1<sup>st</sup> edition was released in 1993.

The Public Trustee has a dynamic relationship with the legal community. We rely on feedback from members of the Bar to continue to enhance and develop client services. I would like take this opportunity to acknowledge the dedication and commitment of our in-house lawyers, as well as those members of the Bar who have provided assistance to the Public Trustee's office in fulfilling its legal mandate.

Original signed by Catherine Romanko

Catherine Romanko

### ORGANIZATIONAL PHILOSOPHY

**RESPECT:** We respect the rights and honour the dignity of our co-workers. We value the initiative and the contributions of each individual.

**OPENNESS:** We value the exchange of ideas and promote open communication.

**PARTICIPATION:** We encourage participation and actively promote teamwork.

**QUALITY:** We act with integrity and take pride in our work. We celebrate our successes and acknowledge our mistakes.

**OPPORTUNITY:** We foster learning, creativity and innovation in an environment where we all can grow.

**SUPPORT:** We support one another and believe that success is based on our collective strength.

VISION

Our vision is to provide respectful, individualized service with the help of family, friends and community.



PUBLIC TRUSTEE OF BRITISH COLUMBIA

# Services to Children

One of the major roles of the Services to Children Division is personal injury settlement review. When a child is injured as the result of another person's negligence, the person, or the person's insurer, may offer money to settle any legal claims the child may have arising from the injury.

When the settlement of a child's claim is reached, the Public Trustee is required to conduct an independent review of the case and the proposed settlement to ensure that any settlement amount offered, fairly compensates the child. Since 1978, the settlement amount that the Public Trustee's office could independently approve on a child's behalf has been \$10,000. When reviewing settlement amounts higher than \$10,000, the Public Trustee would provide recommendations to the court, and the court would make the final decision.

In July of 1998, an amendment to the *Infants Act* gave the Public Trustee the authority to approve settlement amounts of up to \$50,000 on a child's behalf. In addition to strengthening the quasi-judicial role of the Public Trustee, this change will result in some children receiving their settlements more quickly than if the settlement had to be reviewed by the court. This also means lower costs to the litigants and to the court system.

The parent focus group initiative that was developed last year to enhance Trust Administration services was completed this year. Parent focus groups were held throughout the year, and the feedback from these groups has spurred new initiatives centred on providing and communicating information. This includes the creation of a Parent Information Package



that provides information to parents on what they need to know when first becoming involved with our office.

We would like to take this opportunity to thank the parents and young adults who participated in the focus groups for their time and feedback. The information gathered from the focus groups will help us to provide better service to both future and existing clients.

# Services to Adults

The support and assistance the Public Trustee provides to clients comes in many forms and is unique to each individual. Staff of the Services to Adults Division work directly with clients, and the client's family and friends, to provide the support required, and to maximize each client's independence. Today, approximately 5,800 adults in the Province of British Columbia manage with the support and assistance of the Public Trustee of BC.



This year, we have continued to focus on excellence in service delivery, expanding on initiatives developed in previous years, and implementing new ones.

Several clients at the Public Trustee's office were identified last year as being entitled to compensation for past sterilization by the Alberta Eugenics Board. Throughout this year we worked together with these clients, preparing them for the compensation process.

We are pleased to report that we have successfully obtained sizeable settlements for most of these clients, and are continuing to pursue compensation for all of our clients in this matter. Working through this process has been a very positive experience for all involved, and several clients have remarked that it has enabled them to feel more in control of their lives.

## HISTORICAL FACT

In 1963, the Public Trustee Act was passed and the first Public Trustee of British Columbia was appointed. There have been 6 different Public Trustees in B.C.

Self-Directed Teams were introduced last year to provide more timely decision making for clients, and improved regional presence. New service delivery goals were developed this year that emphasize partnerships. One of these goals, to personally meet with each new client within 6 weeks of our appointment, has been successfully implemented and achieved.

We were able to contact a large number of individuals living in the community with the support of families, friends or caregivers who no longer need our assistance to handle their financial affairs. Under this Client Review Project, over 1,800 authorities were ended because the individuals were able to manage independently without our assistance.

## ADULT GUARDIANSHIP

In preparing for the February, 2000 proclamation of the new Adult Guardianship Legislation, the Guardianship Project Team has continued to work closely with communities throughout the province in support of the development of Community Response Networks.

Community Response Networks are networks of individuals, groups and agencies who work together at the community level to promote a coordinated community response to abuse, neglect and self-neglect. Today, more than 70 communities around British Columbia are involved in developing such networks. Members of CRNs include community-based services, support groups, advocacy organizations, churches, volunteer groups and others who may be more personally affected by

the work of the CRN, along with government ministries and regional programs.

Over the last few years many positive outcomes of CRN development have emerged including:

- increased community and professional awareness about abuse and neglect
- increased commitment to address abuse and neglect as an issue that affects individuals and families as well as communities

- increased understanding of the dynamics of abuse and neglect
- increased ability to respond in difficult situations
- stronger relationships between the people and organizations that can provide support

Members of CRNs, including community organizations and staff of designated agencies, have continually demonstrated their pivotal role in effective and principled implementation of the legislation. To support this invaluable work, the Adult Guardianship Implementation Project, in conjunction with numerous planning and steering groups, continues to provide orientation, training and consultation on numerous implementation issues, produce print resources and explore short and longer term funding strategies for CRN's.

## HISTORICAL FACT

When the office was created in 1963, 85% of our adult clients were living in institutions. Today, more than 50% live in the community.

# Estate Administration

The Estate Administration Division is responsible for administering the estates of deceased and missing persons where no family member or other eligible person is willing and able to do so. Our professional staff have adapted with our role and today we utilize the internet and numerous online services to assist us. Our success at locating estranged next of kin has been greatly improved by having this technology at our fingertips. We are able to locate families more readily and are often able to supply them with information that will allow them to independently administer the estate.

**HISTORICAL FACT**  
In 1963, the Public Trustee was named Official Administrator for the county of Vancouver and in 1989, was appointed Official Administrator for all of B.C.

People ask, "Isn't dealing with death sad and depressing?" Our answer is – yes, sometimes, but our work also has many positive sides. We work with Police, Hospitals and Coroners when there are no others to make final arrangements. We have assisted in reuniting estranged families and can provide an empathetic,

empowering environment for families to help them administer the estate of their deceased family member.

We have many success stories that have touched our hearts throughout this past year. Herman, a family man from Saskatchewan whose parents had separated when he was a boy, made numerous trips to BC, always in search of his father. For over 40 years he never went to a town without checking the phone book in the hope that he could find his dad. When the Public Trustee took over his father's estate, we conducted a Canada-wide search for heirs. We located Herman and provided him with the history and long awaited news of his father. Herman later wrote to us and expressed his thanks.

"Although there was some money left to me from his estate, my real joy is in knowing what happened to him and that he was well cared for in his final years. Please accept my sincere thanks."



The Estate Administration Division also administers the Public Trustee Educational Assistance fund, a special bursary provided to adult British Columbians who, as children, were in the continuing care of the Province. One such bursary was given to Daniel who had obtained his BA in Cultural Studies and now, with the help of the bursary, is working towards his Master's Degree in International Peace and Conflict Resolution in Washington, DC. Good Luck to Daniel – we know he will make a difference.

# Policy, Planning and Communications

The Policy, Planning and Communications Department manages the development of policy, provides communications services and coordinates corporate planning for the Public Trustee.

This year, the office completed over 100 policies, ranging from response to complaints to securing property. Extensive policy development was also begun in anticipation of the new Adult Guardianship Legislation including policies on the role of the Public Guardian and Trustee in health care consent and representation agreements.

In November 1998 the Public Trustee officially went on-line with the Public

Trustee website at [www.trustee.bc.ca](http://www.trustee.bc.ca). The website contains detailed information on the services provided by our operating

**HISTORICAL FACT**  
The Public Trustee's office started out with approximately 3,000 clients. Today we provide services to over 15,000 British Columbians.

divisions, as well as an overview of our office and the role of the Public Trustee. The website also contains current information on the new Adult Guardianship

Legislation, including highlights of the legislation and unofficial consolidations of the 4 guardianship Acts. These pages are regularly updated as new information and material on the legislation becomes available.

Potential additions to our website include Corporate Policy information, Press Releases, the Public Trustee of BC Parent Information Package and a download of the Public Trustee of BC Annual Report.

We encourage you to browse through our site and send us any feedback you have.

# Finance, Administration and Systems

The Public Trustee's Finance Administration and Systems Division provides client services support including tax services, trust disbursements and receipts, asset management, investment management and investigation services. Staff from this Division also provide corporate support services including systems management, administration support, facilities management, human resources, financial planning and budgets and financial management systems.

At the end of last year, we began exploring various possibilities for replacing our outdated trust accounting computer system, known to us as COMET. This year, the Public Trustee of BC and the Public Trustee of Saskatchewan established a

partnership for a systems replacement project that will truly take our office into the next millennium. Staff from the Systems Department teamed up with staff from all Divisions in support of this initiative and the COMET replacement project began. As the Public Trustee of Saskatchewan was already well on the way to implementing their own systems replacement project when the partnership was formed, their assistance and guidance have been invaluable in making the first steps of this project a success.

One of the major support roles that Finance Administration and Systems provides is Client Investment Management Services. Currently, the Public Trustee is limited in our investment

decisions by certain restrictions. For example, the proportion of stocks and corporate bonds in a portfolio is limited to a maximum of 35% of the total. The *Public Guardian and Trustee Act*, part of the Adult Guardianship Legislation coming into force February, 2000, will change the way we can invest client funds.

This new Act will give us the authority to set up one or more common funds within the main Public Trustee Trust Fund account for investment of client funds. We will also be able to invest the common funds in new kinds of investments. The effects of these changes are that we will have greater ability to diversify client investments, and ultimately achieve better rates of return for our clients.

# Estates and Trusts Administered by the Public Trustee of British Columbia

## BALANCE SHEET

AS AT MARCH 31, 1999 (UNAUDITED)

(\$ IN THOUSANDS)	1999	1998
<b>Assets:</b>		
Cash (NOTE 2)	\$ 411,646	\$ 404,694
Funds Held in External Accounts	5,976	7,150
Receivables	19,287	22,323
Pensions, Annuities and Insurance	9,051	8,196
Securities and Investments	74,509	63,798
Jewellery and Collectibles	468	531
Real Properties	75,999	73,134
Vehicles	578	529
Household/Personal Effects and Other Assets	2,460	2,370
	<b>\$ 599,974</b>	<b>\$ 582,725</b>
<b>Liabilities:</b>		
Payable to the Public Trustee:		
Fees and Commissions (NOTE 3)	\$ 284	\$ 263
Cost Reimbursements (NOTE 4)	586	669
	870	932
Mortgages and Agreements Payable	4,254	4,233
Notes, Loans and Other Payables	6,641	5,691
	10,895	9,924
<b>Excess of Recorded Value of Assets over Liabilities</b>	<b>588,209</b>	<b>571,869</b>
	<b>\$ 599,974</b>	<b>\$ 582,725</b>

## STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

FOR THE YEAR ENDED MARCH 31, 1999 (UNAUDITED)

(\$ IN THOUSANDS)	1999	1998
<b>Receipts:</b>		
Proceeds from Asset Dispositions and Realization of Receivables	\$ 70,190	\$ 68,268
Pensions, Compensation and Assistance	35,988	35,473
Investment Income (NOTE 5)	21,173	18,838
Canadian Interest and Dividends	1,746	1,909
Other	9,951	6,255
<b>Total Receipts</b>	<b>139,048</b>	<b>130,743</b>
<b>Disbursements:</b>		
Funds Distributed to Heirs and Beneficiaries	56,502	70,554
Living and Personal Expenses	35,740	36,100
Capital Purchases (NOTE 6)	11,411	15,761
Commissions, Fees and Costs Paid to the Public Trustee (NOTE 3)	9,866	9,361
Professional Services	4,963	4,909
Burial and Estate Settlement Expenses	4,394	3,792
Medical, Dental and Other Health Care Expenses	1,513	1,308
Funds Escheated to the Crown (NOTE 7)	932	214
Other	6,775	7,250
<b>Total Disbursements</b>	<b>132,096</b>	<b>149,249</b>
<b>Excess of Receipts over Disbursements (Excess of Disbursements over Receipts)</b>	<b>6,952</b>	<b>(18,506)</b>
<b>Cash, Beginning of Year</b>	<b>404,694</b>	<b>423,200</b>
<b>Cash, End of Year</b>	<b>\$ 411,646</b>	<b>\$ 404,694</b>

## NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1999 (UNAUDITED)

### REPORTING ENTITY

The Public Trustee of British Columbia operates under provincial legislative authority to protect the legal rights and financial interests of children, vulnerable adults and deceased and missing persons. The services offered by the Public Trustee stem from the concept that society has a responsibility to assist those people who are unable to protect their own interests. The Public Trustee is considered to be an appointment of last resort and provides a public service where no one else is willing and able to act.

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- The Balance Sheet is prepared on the accrual basis of accounting.
- Asset valuation is generally based on approximate net realizable value at the commencement date of trusteeship, which is the date of death for estate administration and date of appointment for trust administration. When such value is not readily available or is inappropriate, a nominal value of \$1 is used.
- Short term investments consist of units in the Province of British Columbia Pooled Investment Portfolios. Units are carried at the cost of acquisition adjusted by income attributed to the units and realizable upon the sale of the units.

- Bond investments consist of a segregated portfolio of fixed income bonds. Bonds are carried at cost adjusted for amortization of the premium or discount on purchase on a constant yield basis plus accrued interest.

### NOTE 2 - CASH

Separate cash accounts are maintained for each client. Because most clients require cash on demand, the funds are invested in fully liquid investments.

(\$ IN THOUSANDS)	1999	1998
Cash (Overdraft)	\$ (3,829)	\$ (3,523)
Short Term Investments	271,990	265,673
Bond Investments	143,485	142,544
	<b>\$ 411,646</b>	<b>\$ 404,694</b>

As at March 31, 1999, the market value of these investments was \$417,011 (1998 - \$408,238).

The short term and bond investments are managed by Provincial Treasury, Ministry of Finance and Corporate Relations.

### NOTE 3 - FEES AND COMMISSIONS PAYABLE TO THE PUBLIC TRUSTEE

Under the Public Trustee Act, fees and commissions may be charged for performance of a duty or services rendered by or on behalf of the Public Trustee.

### NOTE 4 - COST REIMBURSEMENTS PAYABLE TO THE PUBLIC TRUSTEE

This represents the obligations of clients to reimburse the Public Trustee for costs incurred on their behalf.

### NOTE 5 - INVESTMENT INCOME

Income from investments is paid as interest each month to clients based on their closing daily balances during the month. The average annual effective yield for 1999 was 5.52% (1998 - 4.78%).

### NOTE 6 - CAPITAL PURCHASES

These amounts represent disbursements for the purchase of capital items, primarily investments and real property.

### NOTE 7 - FUNDS ESCHEATED TO THE CROWN

All money deemed inactive and held for a period of ten years is transferred to the Consolidated Revenue Fund of the Province.

## The Public Trustee of British Columbia Special Account

# STATEMENT OF REVENUE, EXPENDITURE AND EQUITY

FOR THE YEAR ENDED MARCH 31, 1999 (UNAUDITED)

(\$ IN THOUSANDS)	1999	1998
<b>Revenue:</b>		
Fees and Commissions:		
Commissions	\$ 7,499	\$ 6,787
Asset Management Fees	1,959	1,967
Estate Administration File Opening Fees	84	81
Investment Income Earned by Inactive Accounts (NOTE 3)	534	562
Monitoring Fees	657	641
Cost Recoveries (including recoveries of prior years' expenditures)	156	235
	10,889	10,273
Funding Transfer from the Ministry of Attorney General (NOTE 4)	4,170	4,050
	<b>\$ 15,059</b>	<b>\$ 14,323</b>
<b>Expenditure:</b>		
Salaries and Benefits	\$ 10,340	\$ 9,277
Operating Costs:		
Building Occupancy	1,320	1,265
Other Operating and Administrative Costs	677	565
Computer System Support and Expenses	437	440
Other Professional Services	433	652
Clients' Property Management Costs	381	415
Deputy Official Administrators' Services	322	318
Legal Services (NOTE 5)	231	316
Telecommunications	231	249
Amortization Expense	338	385
Asset Acquisitions	128	172
Other Expenditures (NOTE 6)	175	164
Valuation Expense (NOTE 1)	10	0
Contributions (NOTE 7)	182	539
	<b>\$ 15,205</b>	<b>\$ 14,757</b>
<b>(Excess of Expenditure over Revenue)</b>	(146)	(434)
<b>Equity, Beginning of Year</b>	4,142	4,645
<b>Prior Period Adjustment (NOTE 2)</b>	0	(69)
<b>Equity, End of Year</b>	3,996	4,142
<b>Less: Net Assets (NOTE 8)</b>	874	1,162
	3,122	2,980
<b>Add: Liabilities (NOTE 10)</b>	578	553
<b>Cash, End of Year (NOTE 11)</b>	<b>\$ 3,700</b>	<b>\$ 3,533</b>

## SCHEDULE OF REVENUE

FOR THE YEAR ENDED MARCH 31, 1999 (UNAUDITED)

(\$ IN THOUSANDS)	COMMISSIONS	FEES	OTHER	TOTAL
<b>Fees and Commissions:</b>				
Adults' Trusts	\$ 4,354	\$ 971		\$ 5,325
Deceased Persons' Estates	1,679	571		2,250
Children's Trusts (including Diversified Trusts)	1,466	501		1,967
	<b>7,499</b>	<b>2,043</b>		<b>9,542</b>
<b>Monitoring Fees:</b>				
Children's Awards for Injuries		263		263
Private Committees		219		219
Applications to Court under Specific Acts		175		175
		<b>657</b>		<b>657</b>
<b>Cost Recoveries (including recoveries of prior years' expenditures)</b>			\$ 156	15
<b>Investment Income Earned by Inactive Accounts (NOTE 3)</b>			534	534
<b>Funding Transfer from the Ministry of Attorney General (NOTE 4)</b>			4,170	4,170
<b>Total Revenue</b>	<b>\$ 7,499</b>	<b>\$ 2,700</b>	<b>\$ 4,860</b>	<b>\$ 15,059</b>

# NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1999 (UNAUDITED)

## REPORTING ENTITY

The Special Account was created by authority of the *Public Trustee Amendment Act* of 1989. Its purpose is to provide services to clients of the Public Trustee. Those clients are adults who are not capable of managing their own affairs, deceased persons' estates who have no other person willing and able to act for them, the estates of missing persons and children in receipt of settlement funds, insurance policy proceeds or money from estates. Revenue represents fees and commissions paid by clients of the Public Trustee for services rendered, funding transfers from the Ministry of Attorney General and investment income earned by inactive accounts. Expenditures are for costs directly related to the provision of services to clients and for administration.

## NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

- Revenues are reported on an accrual basis.
- Expenses are recorded for goods and/or services received during the year.
- Liabilities are recorded to the extent that they represent claims payable to outside parties as a result of events and transactions prior to the year end.
- Valuation expense represents the change in the provision for doubtful accounts on commissions and fees over the prior year and is included on the Statement of Revenue, Expenditure and Equity. Reductions to the valuation account are shown as recoveries of prior years' expenditures and are included on the Statement of Revenue, Expenditure and Equity.
- Recorded capital assets are amortized on a straight line basis over their estimated useful lives in accordance with the following schedule and no salvage value is assumed:
 

Mini Computer Software	5 years
Mini Computer Hardware	5 years
Personal Computer Software	3 years
Personal Computer Hardware	3 years

In the case of pooled assets, when a pool of assets acquired in a given fiscal year has been fully amortized that pool must be written out of the books. This is referred to as "deemed disposition" and applies only to pooled assets.

## NOTE 2 - PRIOR PERIOD ADJUSTMENT (\$ IN THOUSANDS)

A prior period adjustment to equity of \$69 was made in 1999 to correct the 1998 net book value of the capital assets. Figures have been restated where necessary.

## NOTE 3 - INVESTMENT INCOME EARNED BY INACTIVE ACCOUNTS (\$ IN THOUSANDS)

The Minister of Finance and Corporate Relations, under the authority of Section 13 of the *Public Trustee Act*, directs the payment of investment income earned by inactive accounts to the Special Account.

## NOTE 9 - CAPITAL ASSETS (\$ IN THOUSANDS)

	1999				1998
	Cost	Accumulated Ammortization	Deemed Dispositions	Net Book Value	Net Book Value
Mini Computer Software	\$ 724	\$ 361	\$ 284	\$ 79	\$ 195
Mini Computer Hardware	143	-	143	-	14
Personal Computer Software	181	96	27	58	89
Personal Computer Hardware	663	477	-	186	284
<b>Total</b>	<b>\$ 1,711</b>	<b>\$ 934</b>	<b>\$ 454</b>	<b>\$ 323</b>	<b>\$ 582</b>

The 1998 Net Book Value of Capital Assets has been restated to reflect the prior period adjustment described in NOTE 2.

## NOTE 10 - LIABILITIES (\$ IN THOUSANDS)

	1999	1998
Payroll Accrual	\$ 43	\$ 17
Employee Leave Liability	445	375
Accounts Payable	90	161
<b>Total Liabilities</b>	<b>\$ 578</b>	<b>\$ 553</b>

## NOTE 4 - FUNDING TRANSFER FROM THE MINISTRY OF ATTORNEY GENERAL

A transfer from a sub-vote of the Ministry of Attorney General was provided for adult guardianship legislation and other expenditures of the Public Trustee beginning in the year ended March 31, 1994.

## NOTE 5 - LEGAL SERVICES (\$ IN THOUSANDS)

Legal Services for the year ended March 31, 1999 are shown net of recoveries of \$304 (1998 - \$232).

## NOTE 6 - OTHER EXPENDITURES (\$ IN THOUSANDS)

Other expenditures for the year ended March 31, 1999 are shown net of recoveries of \$72 (1998 - \$156).

## NOTE 7 - CONTRIBUTIONS

Contributions were made to assist in the development of a coordinated community response to issues of abuse and neglect under the assumption of the proclamation of the adult guardianship legislation package.

## NOTE 8 - NET ASSETS (\$ IN THOUSANDS)

	1999	1998
Revenue Accrual	\$ 369	\$ 404
Commissions Receivable	284	263
Other Receivables	31	36
Valuation Allowance for Doubtful Accounts	(133)	(123)
	551	580
Net Book Value Capital Assets (Note 9)	323	582
<b>Total Net Assets</b>	<b>\$ 874</b>	<b>\$ 1,162</b>

The 1998 Net Book Value of Capital Assets has been related to reflect the prior period adjustment described in NOTE 2

## NOTE 11 - CASH POSITION (\$ IN THOUSANDS)

To calculate the uncommitted year end cash position, the Cash, End of Year must be adjusted for liabilities and cash flow requirements.

The cash flow requirement represents approximately one month's non-discretionary spending, including salaries and benefits, building occupancy, telecommunications, computer system support and contracts for the provision of client services including property management and Deputy Official Administrators' services.

	1999	1998
Cash, End of Year	\$ 3,700	\$ 3,533
Liabilities	(578)	(553)
Cash Flow Requirement	(1,200)	(1,200)
<b>Cash Position</b>	<b>\$ 1,922</b>	<b>\$ 1,780</b>

## HISTORICAL FACT

The amount of assets managed by the Public Trustee on behalf of clients has tripled in the last decade.